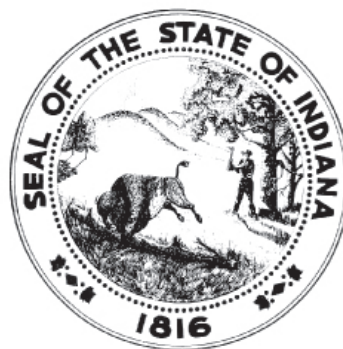


2007 Acts of Interest to Attorneys



A summary of legislation
considered by the
First Regular Session of the
115th Indiana General Assembly
November 21, 2006 - April 29, 2007

Prepared by:
Senate Democratic Caucus Services Staff



INDIANA GENERAL ASSEMBLY
SENATE DEMOCRATIC CAUCUS
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State of Indiana

Senate

John M. Ross
Senate Minority Attorney
State House, 3A-S
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July 18, 2007

Dear Fellow Attorney:

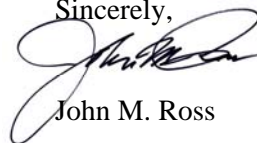
The material which follows is a compilation of the work product of the 2007 (115th) General Assembly. It was produced by the Senate Minority staff in conjunction with the Legislative Services Agency. The information contained herein is intended to summarize most of the legislation that passed the recently concluded General Assembly and was signed by the Governor. These summaries should not be considered the definitive explanation of each particular act. Please rely on your own reading of the acts for a full understanding of the legislation. (The complete text of each act can be found at www.in.gov/legislative. Select "Bills and Resolutions" and then "Enrolled Acts Approved by both Houses.")

Of the 1420 bills that were introduced during the 2007 legislative session, only 234 survived the arduous process and became law. The Governor vetoed 4 bills. The legislature has not yet considered these 4 vetoed bills for potential override.

Absent a call by the Governor for a special session, the General Assembly will next meet to organize in November, 2007 and will reconvene in January, 2008. The 2008 session of the General Assembly must end on or before March 14, 2008.

Hopefully, you will find this information interesting and perhaps helpful in the representation of your clients.

Sincerely,



John M. Ross

2007
First Regular Session 115th General Assembly

PUBLIC LAW NUMBER TO ENROLLED ACT NUMBER TABLE

prepared by
OFFICE OF CODE REVISION
LEGISLATIVE SERVICES AGENCY
200 West Washington Street, Suite 301

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P.L.29-2007	HEA 1818	P.L.65-2007	HEA 1305
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Agriculture

HEA 1358 FARM DRAINAGE MACHINERY

Author(s): TINCHER, CHERRY

Sponsor(s): NUGENT, R. YOUNG

Citations Affected: IC 9-20-2-2

HEA 1358 exempts farm drainage machinery from vehicle size and weight regulations.

HEA 1425 VARIOUS VEHICLE MATTERS

Author(s): AUSTIN, GRUBB

Sponsor(s): WYSS, SIMPSON

Citations Affected: IC 9-13-2-105

HEA 1425 provides that a farm truck, farm trailer or farm semi-trailer and tractor may be operated intrastate for the transportation of certain seasonal crops to the first point of processing for certain periods in a registration year. *For more information, please refer to the section on Transportation.*

SEA 250 GRAIN BUYS AND CORN MARKETING

Author(s): R. YOUNG, GARD, JACKMAN

Sponsor(s): GRUBB, GUTWEIN

Citations Affected: IC 4-4-2.7-3

SEA 250 provides that the total amount that all retail merchants can deduct from their sales tax remittance for E85 sales may exceed the current statutory limit to the extent funds are available for reimbursement from the Corn Market Development Account. It also provides that 25 percent of the net amount collected in the Corn Market Development Account is to be used for these retail merchant deductions. It provides that the term "first purchaser" does not include a buyer of corn who buys less than 100,000 bushels of corn annually for the buyer's own use as seed or feed. (Current law sets the exemption at 50,000 bushels.) It also provides that corn assessments do not apply to seed corn and provides that a producer has 180 days to claim a refund. This bill also changes membership on the Corn Marketing Council and requires the council to have an annual audit. This allows the council to audit first purchasers and provides that in three years, if at least 25 percent of the assessments are refunded, the program terminates. After the three years, the program terminates if for two consecutive years at least 25 percent of the assessments are refunded. It also specifies that if the Corn Marketing Council requires an audit, the council must pay for the audit. It creates the Grain Buyers and Warehouse Licensing Agency License Fee Fund and provides that fees collected by the Grain Buyers and Warehouse Licensing Agency are deposited in the fund.

Biennial Budget for FY 2008-1009

HEA 1001 STATE BUDGET

Author(s): CRAWFORD, COCHRAN

Sponsor(s): MEEKS, MRVAN, KENLEY, SIMPSON

**Citations Affected: NUMEROUS PROVISIONS THROUGHOUT
THE INDIANA CODE AND NONCODE**

HEA 1001

K-12 Education

The new school funding formula added \$127,685,767 (a 4.1 percent increase) of state dollars in 2008 and an additional \$136,863,275 (a 4.2 percent increase from 2008) in 2009. The property tax increases were roughly 3.9 percent in 2008 and 3.8 percent in 2009. The total funding adds \$202,798,226 in 2008 (a 3.8 percent increase) and another \$212,925,979 in 2009, (a 3.8 percent increase from 2008). The amount per student will be \$5,402 in 2007, \$5,543 in 2008 (an additional \$141 per student on average) and in 2009, \$5,712 (or an increase of \$169 per student). Only 10 corporations will lose money under this formula. Generally speaking, the formula did a good job of protecting most districts.

Full-day kindergarten (FDK) was included in the budget with appropriations of \$33.5 million for fiscal year 2008 and \$58.5 million for fiscal year 2009 to fund voluntary FDK in the state's elementary schools. The funding was appropriated as a grant program by which the total amount will be divided among schools requesting the funds. Language was included to insure that schools currently using Title I money for FDK are not at a disadvantage in securing these new funds.

Funding is provided through an existing FDK grant program. Schools can apply to receive the grant, but if the number of schools applying exceeds the appropriated funds, then the appropriation is pro-rated out to schools based on the number of pupils statewide that apply.

For example, in fiscal year 2008, if there are 33,500 kindergarten pupils in schools that want to offer FDK, then the requesting schools would each receive \$1,000 per student for the additional half-day (\$33.5 million divided by 33,500 students). If schools with a total kindergarten population of only 10,000 students were to apply, then the amount per student would be capped at \$2,500 and \$8.5 million would be unspent.

This formula may be ineffective for many schools because they will not know at the time of application how much they will receive, since the per pupil amount is dependent on the total number of students for which funds are being requested. It is possible that some requesting schools will not receive enough funding to cover the costs of additional classroom space or teachers.

Current estimates show there are around 90,000 eligible kindergarten students in Indiana. If every school requested funds from this grant program for fiscal year 2008, the per pupil amount available would be approximately \$372. In fiscal year 2009, that amount would increase to \$650.

There were also some large increases to categorical grants. The Testing/Remediation grant was funded at \$41 million each year, which will leave approximately \$10 million available for remediation where none has been left in the past few years. The Limited English Proficiency grant was increased to allow every corporation to receive roughly \$200 for every student who has limited English proficiency. The Free Textbook appropriation has also been increased to allow all free-and-reduced price lunch students to have free textbooks.

Virtual charter schools were eliminated from the budget because they are not funded in the school funding formula, nor do they have a separate appropriation. Future charter schools are also not funded. Only existing charters or charters that have been approved to open will receive any funding. There was also language included that will require Indiana University's Center for Evaluation and Education Policy to study the effectiveness of charter schools in Indiana.

Higher Education

Numerous capital projects for universities were approved. All universities received increases in operating expenses. The Life Sciences initiative was funded at \$15 million in fiscal year 2009 for Indiana University and \$5 million in fiscal year 2009 for Purdue University.

Health and Human Services

Medicaid was increased at five percent each year and there was no language that would restrict its use. There was language at the end of the appropriation that requires Medicaid to serve the former residents of the Fort Wayne State Developmental Center in alternative settings.

CHOICE funding was also finalized with an appropriation for \$48,765,643 each year. Of that appropriation, a maximum amount of \$10.9 million in fiscal year 2008 and \$12.9 million in fiscal year 2009 will be allowed to be transferred to Medicaid for the Aged and Disabled Waiver.

The Community Mental Health Centers received an extra \$2 million each year from the Tobacco Master Settlement Account, for a total of \$7 million each year.

The Individual Development Accounts program received an increase of \$600,000 in fiscal year 2008 and \$800,000 in fiscal year 2009. There was also a new appropriation for mortgage foreclosure counseling at \$400,000 each year.

The Centers for Independent Living received a total of \$2,546,921 each year of the biennium. The Area Health Education Centers were also fully funded at their requested levels.

The Community Health Centers received a large increase, with a total appropriation of \$30 million each year from the Tobacco Master Settlement Agreement Fund. Of those amounts, \$30 million can be used for any capital projects that might be needed.

The Tobacco Use Prevention and Cessation Board is kept separate from the Department of Health and their appropriation was increased to \$15 million each year from money in the Tobacco Master Settlement Agreement Fund.

Public Safety/Environment

Public safety employees were granted four percent salary increases. The Arizona contract for prisoners was also used to offset the cost of the Food Services appropriation of the Department of Corrections budget.

Similarly, the State Police, Alcohol and Tobacco Enforcement Officers and the Department of Natural Resources Conservation Officers were given an increase in their salary matrices.

An appropriation for the Heritage Trust was included at \$2 million each year. The budget also includes \$450,000 each year for the CFO/CAFO inspection program and \$4 million each year for the Clean Water Indiana program.

Economic Development/Transportation

The appropriation for Major Moves is \$421 million in fiscal year 2008 and \$611 million in fiscal year 2009. There was language included that will allow for an additional \$50 million each year if the Department of Transportation provides the Legislative Council with quarterly reports that detail the expenditures and ensure that the expenditures follow the list of projects that was originally published for the Major Moves concept.

The amount of funding for Public Mass Transit was increased by allowing the distribution from the state sales tax to increase from .635 percent to .76 percent, which results in a little more than \$7 million more statewide each year.

The 21st Century Research and Development Fund was still included in the budget with an appropriation of nearly \$35 million each year. The 21st Century Fund no longer is funded with Tobacco Master Settlement Funds and is now funded with general funds.

The I-Light 2 B Black Fiber project was included for total funding of \$11 million over the biennium.

Other Language/Property Taxes

There was an appropriation for property tax relief that came from the revenue raised under HEA 1835 and relied on a distribution method set out in HEA 1478 (which also includes changes to the circuit breaker and a new local option income tax). According to estimates by the Legislative Services Agency, the property tax relief contained in these three bills will likely drop the anticipated 23.8 percent property tax increase in 2007 to an average increase of about seven to eight percent. Similarly, in 2008, the increase was projected to be about 11 percent, but the changes should drop the increase to about eight percent. *For more information, please refer to the section on Taxes.*

Other highlights of the budget bill include:

- Counties and municipalities were allowed to issue bonds to fund pension liabilities.
- Removed the governor's automatic property tax abatement plan.
- Included tax exemptions for a Super Bowl bid.
- The financial aid appropriations for the State Student Assistance Commission were made non-reverting.

- The state was required to reimburse a county for up to \$50,000 (capped statewide at \$1 million each year) if the state remands a county case.
- Created a Commission on Disproportionality in Youth Services to develop and provide an implementation plan to evaluate and address disproportionate representation of youth of color in the use of youth services.
- Appropriated \$2.6 million to the Department of Agriculture to create an education outreach and development center and to pay for its operational costs.
- Required the revenue generated from the tobacco products tax to go to the Affordable Housing and Community Development Fund, increased the tobacco products tax from 18 percent to 24 percent of the wholesale price of tobacco products, required 25 percent of the taxes, registration fees, fines or penalties from the tobacco products tax to be deposited in the Affordable Housing and Community Development Fund and specified that revenue collected from tobacco products tax transactions after June 30, 2007, would go towards the Affordable Housing and Community Development Fund.
- Reestablished the Sentencing Policy Study Commission until December 31, 2008.
- Created a Coordination of Benefits Study similar to a provision formerly contained in SEA 566 that would require the Office of Medicaid Policy and Planning (OMPP) to study the percentage of Medicaid claims eligible for payment by a third party; if the study finds that the number of claims is at least one percent, OMPP must develop and implement a procedure to improve coordination of benefits.
- Allowed poll workers paid under \$1,300 each year to not pay Social Security taxes.
- Created an opt-out of the state deferred compensation program for state employees since an employee is automatically enrolled now.
- Allowed for review of privatization contracts of four or more years in duration and at least \$10 million; required the agency to conduct at least one public hearing at least 30 days prior to entering into the contract; allowed the Budget Committee to make a recommendation to the Budget Agency at least 30 days prior to the contract.
- Created a clawback provision for incentives given to United Airlines in 1994 and required recovered funds to be deposited in the Affordable Housing and Community Development Fund.
- Allowed charter schools to participate in PERF, TRF or in a private pension or retirement program if offered.
- Prohibited the Department of Natural Resources from selling, leasing, exchanging or transferring property for the purposes of allowing the selling of water out of Indiana from Charlestown Water Wells located on park property without the approval of the River Ridge Development Authority.
- Allowed East Chicago to void any term of a development agreement between the city and a riverboat if the owners license is transferred. It also allowed funds to be redirected to the city fiscal body and allowed the mayor to negotiate a new agreement to be ratified by the city's legislative body.

The Bottom Line is that the budget has a very small structural surplus in fiscal year 2008 of about \$81.2 million and about \$202 million in fiscal year 2009. The combined balances are \$799.5 million in fiscal year 2008 and \$864.9 million in fiscal year 2009. The payment delays to local governments were paid back 50 percent in each year and the universities also received the

entire outstanding amount owed. This was a balanced budget containing no gimmicks and was structurally sound.

Consumer Protection

SEA 93 FIRE SPRINKLERS & SMOKE DETECTORS IN NURSING HOMES

Author(s): LANDSKE, BECKER

Sponsor(s): MAYS, THOMPSON

Citations Affected: IC 16-28-11-5

SEA 93 requires health care facilities not currently under a requirement to do so to have automatic fire sprinkler systems installed throughout the facility by July 1, 2012. The act further provides that if a system is not installed before July 1, 2010, a plan for completion must be submitted to the Indiana State Department of Health (ISDH). Current building requirements for nursing facilities require automatic fire sprinkler systems, so new construction would not be affected. Additionally, the Centers for Medicare and Medicaid Services requirements have been revised to require that nursing facilities install battery-operated smoke detectors in resident rooms and public areas if they do not have an automatic sprinkler system or a hard-wired smoke detection system in those areas. The act requires health facilities to have a smoke detector in each resident's room before July 1, 2012.

The ISDH reports that of the approximately 516 certified comprehensive care facilities in the state, there are currently nine health facilities in Indiana that do not have automatic fire sprinkler systems. An additional 18 facilities are reported to be partially protected by sprinkler systems. Comprehensive care units that are located in hospitals and licensed as hospital beds are not affected by the provisions of the act; however, a freestanding comprehensive care facility that is owned by a hospital, but licensed as a nursing facility would be required to comply with the provisions of the act.

The Indiana Veteran's Home is exempt from the requirements under this act, although currently the Veterans' Home is in the process of upgrading the fire protection and suppression systems to include sprinklers in all patient rooms. Fire alarm systems, including smoke detectors in each room, are to be upgraded at the same time.

The act requires the department to publish information in the Consumer Guide to Nursing Homes regarding the type and locations of the smoke detection system and the sprinkler system in each nursing facility. The sprinkler status of facilities is already included in the consumer guide; the smoke detector status of each facility will be added as the annual facility surveys occur throughout the year.

SEA 134 DEFIBRILLATOR IN HEALTH CLUBS

Author(s): MILLER

Sponsor(s): TYLER

Citations Affected: IC 16-19-3-29.2

SEA 134 requires that before July 1, 2008, the owner or operator of a health club must have a defibrillator available on the health club premises; employ at least one individual who is trained to use the defibrillator and administer cardiopulmonary resuscitation; have a trained employee on the health club premises during business hours when staff is present at the health club; meet

certain requirements if staff are not on the premises; post a sign indicating the location of the defibrillator and comply with other defibrillator requirements. Violators of these requirements commit a Class C infraction, the penalty for which is up to a \$500 fine. The act also allows for the inspection of a health club to determine compliance and provides certain immunity from liability for acts or omissions involving defibrillators in health clubs.

SEA 171 INSURANCE PRODUCT SALES

Author(s): DELPH, SIMPSON

Sponsor(s): GIAQUINTA, RIPLEY

Citations Affected: IC 27-4-1.4

SEA 171 provides that engaging in certain dishonest or predatory insurance practices in marketing or sales of insurance to members of the United States armed forces constitutes an unfair and deceptive act and practice in the business of insurance. The act allows the insurance commissioner to adopt rules to define and protect members of the United States armed forces from dishonest or predatory insurance practices. It also makes the law concerning annuity purchase or exchange recommendations made to senior consumers apply to all consumers and requires the Department of Insurance to adopt rules to implement the law. Under current law, an insurance producer shall not recommend to a senior consumer (at least 65 years old) the purchase of an annuity or exchange of an annuity which results in another insurance transaction that is unsuitable for the senior consumer. An “unsuitable” purchase is determined based on the facts disclosed by the senior consumer concerning the individual’s investments and other insurance products and financial situation and needs according to rules adopted by the Department of Insurance.

SEA 190 FOOD ESTABLISHMENT SANTITARY REQUIREMENTS

Author(s): DROZDA, RIEGSECKER, ROGERS

Sponsor(s): CROOKS, DENBO

Citations Affected: IC 16-18-2-13.7

SEA 190 provides exceptions to the term “food establishment” for purposes of food establishment sanitary requirements. Under current law, the following are exempt from the food handler rules: pitch-ins, bake sales, fish fries, chili suppers, spaghetti suppers, food prepared by a licensed retail food establishment, concession stands, heating or serving precooked foods, preparing or serving a continental breakfast, preparing or serving nonalcoholic or alcoholic beverages, preparing or serving packaged or unpackaged foods that are not potentially hazardous or providing prepackaged food in the original package. The law was set to sunset January 1, 2008. This act redefines “food establishment” and removes the sunset provision.

SEA 207 MEDICAL ADVERSE EVENT REPORTING

Author(s): DILLON, HERSHMAN

Sponsor(s): WELCH, T. BROWN

Citations Affected: IC 16-18; IC 16-40; IC 34-30; Noncode

SEA 207 requires the Indiana State Department of Health (ISDH), subject to appropriation by the General Assembly, to enter into an agreement with an agency to collect, analyze, interpret and disseminate findings on a statewide basis until June 30, 2010, regarding patient safety. The

act makes it voluntary for certain persons to submit information to the agency and makes the reports and certain other information confidential and privileged. The act requires the ISDH to use standards for infections that have been adopted by a national consensus organization and report to the Health Finance Commission before September 1, 2007 and September 1, 2008, concerning the implementation of the program. The act further provides that the information remains confidential if the program expires or is repealed.

The ISDH promulgated adverse event reporting regulations, effective April 1, 2006, in response to an executive order requiring the establishment of a Medical Error Reporting and Quality System. These rules require hospitals and ambulatory outpatient surgical centers to include reporting of serious adverse events for the quality assessment and improvement programs of these two types of licensed providers. Rules are also being promulgated that will include licensed birthing centers and abortion clinics in the reporting requirements as well. The reporting requirements implemented are for 27 events based on National Quality Forum standards. The requirements for reporting include more narrowly defined terminology for adverse drug event or what constitutes a reportable event than those defined in the act. The ISDH has established an online reporting system to accept reports on an event-by-event basis.

The act would not allow the ISDH to operate the current Medical Adverse Event Reporting system. The intent of the act appears to be to create a reporting program that would encourage reporting by ensuring confidentiality and requiring reporting to an external agency, rather than public reporting to the state agency that licenses such facilities.

SEA 320 MESSAGE THERAPISTS AND CERTIFICATION

Author(s): MILLER, ERRINGTON, DELPH

Sponsor(s): KLINKER, FRIZZELL

Citations Affected: IC 10-13; IC 25-1; IC 25-21.8; IC 25-23-6; IC 25-33; Noncode

SEA 320 establishes the State Board of Massage Therapy to certify massage therapists and provides certification requirements. The act establishes guidelines for the certification by endorsement of a massage therapist who holds a certification or license in another state. It also establishes a penalty for the unauthorized use of the titles “certified massage therapist” or “massage therapist.” Violations of the massage therapy certification provisions would constitute a Class C misdemeanor.

The act allows the board to issue a certification to any applicant who enrolled in, before July 1, 2007, a 500-hour massage therapy school or program that was in good standing with any state, regional or national government that regulates massage therapy or programs. Massage therapists attending or finishing a recognized school or program within specified time limits would be able to more easily receive a certification to practice massage therapy in Indiana. As of December 2006, the American Massage Therapy Association (AMTA) recognized 18 Indiana massage therapy schools for instruction.

The AMTA and the Association of Body and Massage Professionals have a combined total of approximately 2,300 massage therapists as members in Indiana and approximately 350 massage therapists in Indiana are currently certified by the National Certification Board for Therapeutic Massage and Bodywork. All massage therapists would be required to apply for a certification in

order to continue practicing in Indiana. Although the act includes a grandfather clause, all applicants are required to pay the certification fees. A certification may also be issued by endorsement when certain requirements are met.

SEA 377 REAL ESTATE APPRAISERS

Author(s): BECKER, RIEGSECKER

Sponsor(s): TYLER, NIEZGODSKI, BUCK

Citations Affected: IC 25-1; IC 25-4.1

SEA 377 requires that continuing education for real estate appraisers be approved by the Appraiser Qualifications Board or the Real Estate Appraiser Licensure and Certification Board for specific courses or course subjects. The act prohibits a person from conducting, soliciting or accepting student enrollment for a real estate appraiser school or course represented as satisfying the requirements of the Real Estate Appraiser Licensure Board without approval of the school or course by the Appraiser Qualifications Board. The act clarifies provisions already in law that requires the Real Estate Appraiser Licensure and Certification Board to submit recommendations to the Real Estate Commission to establish a fee of not more than \$20 to fund the Investigative Fund and requires the Real Estate Commission to establish fees for real estate brokers, salespersons and real estate appraisers of not more than \$20 to fund the Investigative Fund. The Investigative Fund is used to investigate and take enforcement action against real estate fraud and real estate appraisal fraud. The act also repeals a provision that requires a person to submit pre-licensing and continuing education courses to the Real Estate Appraiser Licensure and Certification Board to obtain approval of a real estate appraiser course.

SEA 390 MORTGAGE RESCUE FRAUD

Author(s): BRODEN, DROZDA, HOWARD, SKINNER, MRVAN, LANANE

Sponsor(s): BARDON, KOCH

Citations Affected: IC 24-5; IC 24-5.5; IC 25-1

SEA 390 contains several provisions to protect homeowners from mortgage rescue fraud. The 2006 U.S. Foreclosure Market Report indicated that Indiana ranks 6th in the nation for foreclosures, with 47,550 last year, representing 1.9 percent of all households. The growing foreclosure rate has led to a wave of equity stripping and mortgage rescue scams. Scam artists operating as foreclosure consultants target vulnerable, usually low-income homeowners who face foreclosure on their homes. Foreclosure notices are public information that can be obtained from newspapers, reporting services or directly from courts and other local government agencies. The act provides several protections for homeowners against these questionable foreclosure consultants. It provides that a homeowner may rescind a contract with a foreclosure consultant at any time before midnight of the seventh business day after the date the contract is signed. It provides that a homeowner may rescind a foreclosure reconveyance agreement at any time before midnight of the seventh business day after the homeowner's transfer of the interest in the real property that is the subject of the agreement. It also requires a homeowner who rescinds a contract with a foreclosure consultant or a foreclosure conveyance agreement to repay certain amounts advanced in connection with the contract or the agreement not later than 30 days after the date of rescission. The act prohibits foreclosure consultants and foreclosure purchasers from certain actions. It excludes certain banks, trust companies, governmental entities, attorneys and other persons from the law.

The act requires foreclosure purchasers to ensure that title to real property is reconveyed to the homeowner in a timely manner if reconveyance is required under a foreclosure reconveyance agreement or pay the homeowner an amount equal to 66 percent of the net proceeds from any resale of the property if the property is sold within 18 months of entering into the agreement. It also requires a foreclosure purchaser to make a detailed accounting of the basis for the amount of payment made to the homeowner if the real property is resold within 18 months.

The act gives the Attorney General's office the ability to take action on a violation of this statute as a deceptive act and gives homeowners the ability to bring a civil action for damages for a violation of the mortgage rescue protection fraud laws and it allows a court to award treble damages for a willful or knowing violation of the mortgage rescue protection fraud laws.

The act also requires the Indiana Housing and Community Development Authority to maintain a list of nonprofit organizations that offer counseling or advice to homeowners in foreclosure or loan defaults.

SEA 403 FREEZE ON THE CONSUMER REPORT

Author(s): DILLON, BOOTS, HERSHMAN, LANANE, TALLIAN, DROZDA, MILLER

Sponsor(s): BARDON, WALORSKI

Citations Affected: IC 24.5

SEA 403 creates a program to allow consumers to prevent access to their consumer report by requesting that the consumer reporting agency place a security freeze on the consumer report. This protection against identity theft has been enacted in several other states.

The act requires a consumer reporting agency to develop and make available to consumers, not later than January 1, 2009, a secure electronic mail connection by which a consumer can request the placement of a security freeze or the same or a new personal identification number or password for use in releasing a report subject to a freeze to a third party or temporarily lift a security freeze. The act prohibits a consumer reporting agency from imposing a charge for such request for either the consumer or the third party to whom the report is being released.

The act prohibits a consumer reporting agency from releasing any information from a consumer report that is subject to a security freeze unless the consumer requests the release of the report to a specified third party or the temporary lifting of the freeze for a specified period. For a consumer report subject to a security freeze, the act sets forth procedures for a consumer to request the release of the report to a third party, temporary lifting of the freeze for specified period or removal of the freeze.

The act provides that specified persons may receive information from a consumer report that is subject to a security freeze, including licensed insurers. It also provides that specified persons are not required to place a security freeze on a consumer's consumer report, including consumer reporting agencies that furnish specialized credit reporting tools to energy utilities.

The act requires a consumer reporting agency to provide a consumer written notice, in connection with certain required disclosures, that the consumer may place a security freeze on the consumer's consumer report.

The act provides a cause of action to a consumer aggrieved by a consumer reporting agency's violation of the provisions concerning security freezes. It allows the Attorney General to bring an action to recover a civil penalty from a person who knowingly or intentionally violates the provisions concerning security freezes.

SEA 445 NOTARIES

Author(s): BRODEN, ZAKAS, STEELE

Sponsor(s): NIEZGODSKI, MURPHY

Citations Affected: IC 33-42; IC 35-43; Noncode

SEA 445 requires a non-attorney who advertises as a notary public or notario publico to include a disclosure stating that the person is not an attorney. The act makes it a notorio publico deception, a Class A misdemeanor, to advertise as a notary without the required disclosure, to advertise as an expert in immigration matters without being a federally designated entity or to accept payment for legal advice. The act provides for the revocation of a notary public's commission if the notary public is convicted of notario publico deception.

SEA 506 PRIVATE INVESTIGATOR AND SECURITY GUARD LICENSING LAW

Author(s): MERRITT, WYSS, ROGERS

Sponsor(s): TINCHER

Citations Affected: IC 25-1; IC 225-30; Noncode

SEA 506 changes the detective license law to the private investigator firm license law and the security guard agency license law. The act removes exemptions currently in law concerning armored services agencies and owners of industrial plants from the private investigator firm license laws and armored service agencies from the security guard agency license laws. The act removes one year residency requirement to obtain a license as a private investigator firm. It requires a pocket card to be issued to a licensed private investigator firm and a licensed security guard agency. The act establishes the Private Investigator and Security Guard Licensing Board and requirements for security guard agency licensing. The act also enhances the penalty for certain violations of the private investigator and security guard agency licensing laws to Class A misdemeanors.

SEA 520 METHAMPHETAMINE

Author(s): M. YOUNG, BRAY, SKINNER, SIPES, ARNOLD AND LANANE

Sponsor(s): L. LAWSON, TORR AND KOCH

Citations Affected: IC 5-2; IC 10-1.1; IC 32-21; IC 25-48

SEA 520 creates a registry of methamphetamine manufacturing sites. It requires law enforcement agencies that seize a methamphetamine laboratory to notify the Criminal Justice Institute of the laboratory's location for publication on a website, where it must be posted until the property has been remediated or two years after the seizure, whichever occurs first. *For more information, please refer to the section on Criminal Law.*

SEA 557 COMBATIVE FIGHTING**Author(s): KRUSE****Sponsor(s): KUZMAN****Citations Affected: IC 25-9; IC 35-45; Noncode**

SEA 557 establishes guidelines for combative fighting. The act provides that a person who knowingly or intentionally participates in combative fighting commits unauthorized combative fighting, a Class C misdemeanor. The act further provides that a person who knowingly and intentionally promotes or organizes combative fighting commits unlawful promotion or organization of combative fighting, a Class A misdemeanor. The act makes unlawful promotion or organization of combative fighting a Class D felony if, within the five years preceding the commission of the offense, the person had a prior unrelated conviction for unlawful promotion or organization of combative fighting. The act requires the State Boxing Commission to adopt rules to define ultimate fighting, Ultimate Fighting Championships, mixed martial arts, martial arts, including jujutsu, karate, kickboxing, kung fu and tae kwon do and professional wrestling.

HEA 1033 WEATHER RADIO**Author(s): HOY, PIERCE****Sponsor(s): BECKER****Citations Affected: IC 16-41; IC 25-23.7; IC 24-30**

HEA 1033 requires that a manufactured home that is installed in a mobile home community be equipped with a weather radio. The act encourages mobile home operators to provide a written reminder to the manufactured home owners in the mobile home community to replace batteries in a weather radio or smoke detector contained in the manufactured home. The act also provides certain immunity from civil liability for manufactured home installers concerning the functionality of weather radios supplied.

This act has been called "C.J.'s Law" after one of the victims of the deadly tornado that swept through the Evansville area in the middle of the night on November 6, 2005. Twenty-five Hoosiers were killed, including two year old C.J. Martin, who died at Eastbrook Mobile Home Park. Many residents of the park were asleep and did not see weather reports or hear sirens and did not have enough warning to evacuate the park.

HEA 1210 HOMEOWNER PROTECTION UNIT and UNCLAIMED PROPERTY**Author(s): VANHAAFTEN, KOCH****Sponsor(s): BRAY, LANANE****Citations Affected: IC 4-6; IC 32-34**

HEA 1210 provides a permanent funding source for the Homeowner Protection Unit in the Office of the Attorney General. The act specifies that money in the Homeowner Protection Unit account administered by the Attorney General does not revert at the end of a state fiscal year. This account is funded generally in the budget and is augmented by fees received by the Office of the Attorney General.

The act allows the Attorney General to publish a notice of unclaimed property electronically on the Attorney General's Web site instead of in a newspaper if the address of the apparent owner of the property is not reported to the Attorney General by the previous holder of the property or is outside Indiana. An electronic notice of unclaimed property must remain on the Attorney General's web site for at least two weeks. The act also states that when the Attorney General examines a person's records to determine that the person holds property that is reportable under the law governing abandoned property, that the cost of the examination may be assessed against the person at a reasonable rate. Current law provides that the Attorney General may recover the cost of the examination at a rate of \$200 a day for each examiner.

HEA 1214 LANDLORD TENANT LAW
Author(s): PIERCE, MICON, KOCH
Sponsor(s): BRAY
Citations Affected: IC 32-31

HEA 1214 seeks to provide greater security and privacy to tenants. The act specifies circumstances in which a landlord may enter a tenant's dwelling unit. *For more information, please refer to the section on Civil Law.*

HEA 1237 MOTOR VEHICLE RESTRAINT SYSTEMS
Author(s): WELCH, C. BROWN, DUNCAN
Sponsor(s): WYSS, ROGERS
Citations Affected: IC 6-6; IC 9-13; IC 9-19

HEA 1237 requires all occupants of all motor vehicles to wear safety belts, with certain exceptions for circumstances such as parades, farm usage and ambulance passengers. *For more information, please refer to the section on Transportation.*

HEA 1312 ACCOUNTANTS
Author(s): AUSTIN, DENBO
Sponsor(s): LAWSON, LANANE
Citations Affected: IC 25-2.1

HEA 1312 requires the Board of Accountancy to adopt rules for a quality review of CPA and PA firms that renew permits to practice accountancy and investigate complaints made by a Board of Accountancy or the equivalent of a Board of Accountancy in another state. The act provides that the members' terms expire on June 30. It establishes the Accountant Investigative Fund to provide funds for administering and enforcing accountancy laws and a civil penalty of \$25,000 for certain violations. The fund consists of fees assessed against certified accountants and civil penalties collected. The act continually appropriates money from the fund to the Professional Licensing Agency for its use in administering and enforcing accountancy laws and allows the Attorney General and the Professional Licensing Agency to enter into a memorandum of understanding to provide the Attorney General with funds to conduct investigations and pursue enforcement of the accountancy laws. The act eliminates the requirement that an individual with a valid CPA certificate or similar qualifications from another state who intends to conduct business as a CPA in Indiana must notify the board of that intent and provides that a CPA firm that employs individuals who have all the privileges granted to a CPA certificate holder consents

to certain actions and requirements. The act finally repeals provisions concerning certification of accounting practitioners.

HEA 1324 VALUABLE METAL DEALERS

Author(s): CROOKS, LUTZ, BARDON, KLINKER

Sponsor(s): HERSHMAN

Citations Affected: IC 25-37.5

HEA 1324 adds restrictions to the sale of valuable metals to combat an increase in metal thefts due to an increase in the price of scrap metal. The act adds copper, copper alloy, brass, aluminum or aluminum alloy that is readily used or useable on residential or commercial property to the definition of "valuable metal." It requires valuable metal dealers to make and retain copies of government issued photographic identification used to verify the identity of persons from whom the dealers purchase valuable metal. The act provides that a valuable metal dealer may not accept a damaged or an undamaged metal beer keg if the keg is clearly marked as the property of a brewery manufacturer or the keg's identification markings have been made illegible. The act also requires the superintendent of the Indiana State Police to prepare and distribute a list to each valuable metal dealer describing the valuable metal products of interest for use on residential or commercial property.

HEA 1509 LEASE PROTECTIONS FOR VICTIMS OF DOMESTIC VIOLENCE

Author(s): L. LAWSON, ULMER, BARDON, DEMBOWSKI

Sponsor(s): BECKER, LANANE

Citations Affected: IC 32-31; IC 34-30

HEA 1509 provides lease protections for victims of domestic violence. *For more information, please refer to the section on Families and Children.*

HEA 1717 LOAN BROKERS, FRANCHISES AND COLLECTION AGENCIES

Author(s): BARDON, BURTON, DOBIS

Sponsor(s): BRAY, LANANE

**Citations Affected: IC 4-33; IC 5-2; IC 23-2; IC 23-19; IC 25-11; IC 35-41;
Noncode**

HEA 1717 sets forth further regulation of loan brokers, franchises and collection agencies to protect homeowners. The act specifies that, to the extent authorized by federal law, the Homeowner Protection Unit (HPU) in the Attorney General's Office shall cooperate with federal, state and local law enforcement agencies in the investigation of violations of certain federal laws and regulations.

The act gives the Securities Commissioner the same administrative powers and remedies to regulate franchises and collection agencies as the commissioner has to regulate securities and provides the same appeals procedures in the laws governing all three entities. The act specifies that a person that seeks to be registered as a loan originator must apply to the commissioner for a certificate of registration and pay a \$100 registration fee. The act requires that a person who seeks to be registered as a principal manager for a loan brokerage business must apply to the commissioner for a certificate of registration and pay a \$200 registration fee. It requires a person

applying for registration as an originator or a principal manager to pass an examination. The act requires a contract for services of a loan broker to contain a specific statement. It expands the reasons for disciplinary action against a loan broker or a registrant to include regulatory actions against the licensee or registrant in Indiana or other jurisdictions and certain violations, crimes or practices committed by the licensee or registrant. The act gives the commissioner the authority by summary order to deny, suspend or revoke a license or certificate of registration before any proceeding is initiated against the licensee or registrant. It provides that the exemption from the loan broker law that applies to a correspondent of loans insured by the United States Department of Housing and Urban Development applies only if the person closes at least 25 insured loans in Indiana during each calendar year and provides that a person claiming certain exemptions from the loan broker law must file a notice every 24 months to receive or maintain the exemption.

The act requires the HPU to report annually to the Legislative Council and requires the commissioner to report to the Legislative Council not later than November 1, 2007, concerning the implementation of the amendments to the loan broker statute. It requires the Department of Financial Institutions to study the feasibility of regulating loan brokers originators and principal managers. It establishes the Interim Study Committee on Mortgage Lending Practices and Home Loan Foreclosures and charges it with the study of various issues concerning mortgage lending practices and home loan foreclosures. The act makes certain changes to the Uniform Securities Act. The act exempts an enforcement officer of the Securities division of the office of the secretary of state from basic training requirements for law enforcement officers and specifies that a securities enforcement officer is a law enforcement officer for the purpose of certain statutes.

HEA 1753 MORTGAGE FORECLOSURE COUNSELING

Author(s): SUMMERS, BURTON

Sponsor(s): LUBBERS, BRODEN

Citations Affected: IC 5-20

HEA 1753 authorizes the Indiana Housing and Community Development Authority (IHCDA) to establish a program to provide free mortgage foreclosure counseling and education to homeowners who have defaulted on or are in danger of defaulting on their mortgages. The program may include a central toll-free telephone number that homeowners may call to receive mortgage foreclosure counseling and education. The act allows IHCDA to award grants for the training of counselors who will provide mortgage foreclosure counseling and education and allows for the establishment of standards for the certification of counselors. The act allows the IHCDA to solicit contributions and grants from the private sector, nonprofit entities and the federal government to assist in carrying out the program. The act requires IHCDA to submit a report to the Legislative Council annually.

Criminal Law and Procedure

Criminal Law

SEA 43 NEGLECT OF A DEPENDENT

Author(s): BRAY, BOWSER

Sponsor(s): L. LAWSON, FOLEY

Citations Affected: IC 35-46; Noncode

SEA 43 clarifies that a person having the care of any dependent (not only a child) commits neglect of a dependent as a Class C felony if the person's abandonment or cruel confinement of the dependent deprives a dependent of necessary food, water or sanitary facilities; consists of confinement in an area not intended for human habitation; or involves the unlawful use of handcuffs, a rope, a cord, tape or a similar device to physically restrain a dependent.

SEA 45 CRIMINAL PROCEDURE

Author(s): BRAY, DELPH, DROZDA, BOWSER, ZAKAS, WYSS

Sponsor(s): L. LAWSON, FOLEY

**Citations Affected: IC 11-08; IC 11-13; IC 35-34; IC 35-38; IC 35-42; IC 35-50;
Noncode**

SEA 45 requires a court to issue a sentencing statement after the court has pronounced a sentence for a felony conviction. The act provides that a court is not required to use an advisory sentence in imposing consecutive sentences for felony convictions that are not crimes of violence arising out of an episode of criminal conduct. Further, an indictment or information may be amended at any time before the commencement of trial when the amendment does not prejudice the substantial rights of the defendant.

The act also makes it battery by body waste, a Class D felony, for a person to knowingly or intentionally in a rude, insolent or angry manner place blood or another body fluid or waste on a probation officer, firefighter or first responder (in addition to other law enforcement officers or corrections officers) while the victim is engaged in the performance of official duties. The act enhances the penalties for committing battery by body waste if the body waste is infected with Hepatitis C from a Class A misdemeanor to a Class D felony and to a Class C felony if it results in the transmission of Hepatitis C to another person.

SEA 108 ANIMAL CRUELTY

Author(s): LANANE, DROZDA, LUBBERS

Sponsor(s): L. LAWSON, ELROD

Citations Affected: IC 35-46; Noncode

SEA 108 requires a court to consider counseling as part of the sentence imposed on an adult or juvenile who has committed animal cruelty. The act permits a court to order the adult or juvenile to receive psychological, behavioral or other counseling as a part of the sentencing or dispositional decree.

**SEA 520 METHAMPHETAMINE REGISTRY AND OTHER CRIMINAL
INFORMATION**

Author(s): M. YOUNG, BRAY, SKINNER

Sponsor(s): L. LAWSON, TORR, KOCH

Citations Affected: IC 5-2; IC 10-11; IC 32-21; IC 35-48

SEA 520 requires the Criminal Justice Institute (CJI) to seek federal funds to establish and operate a methamphetamine precursor database pilot project to track the sales of precursor products. The act specifies that the six-county pilot project must connect retailers who sell a drug that contains the active ingredient of ephedrine or pseudoephedrine and record those drug sales in an electronic log. The information will also be transferred through an electronic monitoring system to a central database. Only certain law enforcement officers would be able to access to information in the central database. The act also extends the general ephedrine or pseudoephedrine sales log requirement until June 30, 2012.

The act also contains language that permits, when necessary to avoid imminent danger to life or property, criminal intelligence assessments to be released to a government official or to another individual whose life or property is in imminent danger, another individual who is responsible for protecting the life or property of another person or another individual who may be in a position to reduce or mitigate the imminent danger to life or property. Current law allows such information to be transmitted only to law enforcement.

The act further requires the CJI to operate a Web site containing a list of properties that have been the site of a methamphetamine laboratory. *(For more information on this provision, please refer to the section on Consumer Protection.)*

SEA 557 COMBATIVE FIGHTING

Author(s): KRUSE

Sponsor(s): KUZMAN, WHETSTONE

Citations Affected: IC 25-9; IC 35-45; Noncode

SEA 557 makes "combative fighting" a class C misdemeanor and promoting or organizing a combative fight a class A misdemeanor. The act enhances the penalty to a class D felony for a second conviction within 5 years of promoting or organizing a combative fight. *For more information, please refer to the section on Consumer Protection.*

HEA 1019 CRIMINAL LAW MATTERS

Author(s): DUNCAN, SUMMERS

Sponsor(s): NUGENT, FORD

Citations Affected: IC 35-42; Noncode

HEA 1019 increases the penalty for battery to a Class D felony for an offense against a family or household member if the person who committed the offense was at least 18 years of age and the offense occurred while in the physical presence of a child less than 16 years of age who might be able to see or hear the offense.

The penalty for battery is increased to a Class C felony if it results in bodily injury to a pregnant woman and the person knew the woman was pregnant. The act also clarifies that a person who commits interference with custody must intend to deprive another person of custody rights and eliminates the condition that, for an individual to commit the offense of interference with custody by failing to return a child to Indiana, the individual must have taken the child outside Indiana. The act eliminates the condition under which an individual who takes or detains a child with intent to deprive another of custody or parenting time does not commit the offense of interference with custody unless the individual conceals the child. An individual who conceals a child with the intent to deprive another of custody or parenting time commits interference with custody even if the individual did not take or detain the child. Finally, the act provides a defense to the crime of interference with custody if the accused person was threatened or reasonably believed the child was threatened which resulted in the child not being timely returned to the other parent resulting in the violation of a child custody order.

HEA 1115 CANINE ISSUES

Author(s): DUNCAN, KERSEY

Sponsor(s): JACKMAN, SIPES

Citations Affected: IC 5-15; Noncode

HEA 1115 provides that an owner of a dog commits a Class D infraction if the owner of the dog allows the dog to stray beyond the owner's premises, unless the dog is under the reasonable control of an individual or the dog is engaged in lawful hunting and accompanied by the owner or a custodian of the dog. The offense is a Class C infraction if the owner has a prior judgment for a violation. The offense does not apply to a nonaggressive dog that goes beyond the owner's premises onto agricultural or forested land.

The act defines coydogs (a coyote-dog hybrid) and wolf hybrids and makes it a Class B infraction if the owner of the coydog or wolf hybrid does not keep the animal in a secure enclosure or on a leash (not more than 8 feet in length) under the reasonable control of an individual. If the owner knowingly or intentionally fails to comply with the secure enclosure or leash requirements, it is a Class B misdemeanor if the wolf hybrid or coydog enters property of another and causes damage to livestock or personal property; a Class A misdemeanor if the owner has one prior unrelated conviction for a violation of the secure enclosure or leash provision; a Class D felony if the owner has more than one prior unrelated conviction for a violation of the secure enclosure or leash provision or if the owner's failure to comply results in serious bodily injury to a person; and a Class C felony if the failure to comply results in the death of a person.

The act permits a county, municipality or township to prohibit the possession of a coydog or wolf hybrid, to impose more stringent conditions on the possession of a wolf hybrid or coy dog and to provide an increased (civil) penalty for a violation of the secure enclosure or leash provisions up to a maximum of \$2500 for a first offense and \$7500 for a second or subsequent offense.

HEA 1291 APPOINTING A SPECIAL PROSECUTOR

Author(s): VANHAAFTEN, THOMAS

Sponsor(s): BRAY, BRODEN

Citations Affected: IC 33-23; IC 33-39

HEA 1291 requires a court to appoint a special prosecutor if a previously appointed special prosecutor files a motion to withdraw as special prosecutor or has become incapable of continuing to represent the interests of the state and the court finds that the facts that established the basis for the initial appointment of a special prosecutor still exist. The act also allows a special prosecutor to be paid for reasonable expenses actually incurred provided the special prosecutor applied for payment of these expenses before they were incurred and the court approved of the expenses.

Compensation paid to a senior judge is increased from \$50 to \$100 per day for the first 30 days of service and from \$200 to \$250 per day for each day of service after the 30th day.

The act limits the total number of calendar days for which a senior prosecutor may be paid to 100 if the senior prosecutor is receiving retirement benefits. If not receiving retirement benefits, a senior prosecutor may be paid for a maximum of 200 calendar days per year.

A prosecuting attorney is permitted to establish a youth mentoring program as a tax exempt organization and receive charitable contributions, appropriations and grants to establish or administer the program. The prosecuting attorney is required to make an annual report to the county fiscal body concerning the youth mentoring program and provides that the youth mentoring program is subject to audit by the state board of accounts.

HEA 1339 PROTECTION FROM SELF-INCRIMINATION FOR JUVENILES

Author(s): C. BROWN, ULMER

Sponsor(s): LAWSON, SIMPSON

Citations Affected: IC 31-19; IC 31-32; IC 31-37; IC 34-46

HEA 1339 provides that information provided by a child in the course of mental health screening, assessment, evaluation or treatment provided during juvenile court, probation or intake proceedings by an evaluator may not be admitted as evidence against the child on the issue of whether the child committed a delinquent act or a crime. This provision does not affect a disclosure or reporting requirement in effect on July 1, 2007, under statute or in case law, regarding a statement that relates directly to the facts or immediate circumstances of a homicide or reveals that the child may intend to commit a crime. This provision also does not affect the admissibility of evidence if the juvenile interposes the defense of insanity nor does it apply to probation revocation hearings and modifications of dispositional decrees.

The act also specifies that a person who is at least 21 years of age and who is alleged to have committed a murder is not considered a child under juvenile law, even if the murder was committed when the person was less than 18 years of age.

HEA 1382 JUVENILE DELINQUENCY AND CRIMINAL LAW INFORMATION

Author(s): L. LAWSON, KUZMAN

Sponsor(s): BECKER, MRVAN, LANDSKE

Citations Affected: IC 20-33; IC 31-37; IC 31-39; IC 35-50

HEA 1382 allows schools and courts to more easily cooperate on student matters through school notification and record sharing. Law enforcement agencies will be required to notify the chief administrative officer of a school or the superintendent of the school district in which a child is enrolled within 48 hours if the child is taken into custody for allegedly committing certain crimes.

Schools would also be notified by the courts within seven days of an original conviction or modification if a student is convicted of a Class A, B or C felony or two Class D felonies or if the child has been adjudicated as a delinquent child for an act that would be a Class A, B or C felony or two Class D felonies if committed by an adult. The notification requirements by law enforcement would apply to both public and nonpublic schools.

Additionally, the law provides that juvenile courts may release court records without a court order to another court, primary or secondary schools, law enforcement, the Family and Social Services Administration and the Department of Child Services.

The act also requires parents to be notified if their child is interrogated on school property by a law enforcement officer regarding an incident in which the student is a suspect, even if the student is 18 years old or older. If the school currently has a policy that requires a student's parent to be notified under such circumstances, the school is required to apply the policy to all students regardless of age.

If the school does not already have a policy concerning parental notification and a staff member designated for this task, the school principal would be responsible for immediately contacting the student's parents. If immediate notification is not possible, the principal is required to make the contact less than 12 hours after the interrogation occurs.

HEA 1386 CHANGES TO THE STATE'S SEX OFFENDER AND CRIMINAL PROCEDURE LAWS

Author(s): L. LAWSON, WELCH, ULMER

Sponsor(s): BRAY, LONG

Citations Affected: IC 10-13; IC 11-08; IC 11-13; IC 34-30; IC 35-38; IC 35-41; IC 35-42; IC 35-50; IC 36-02; Noncode

HEA 1386 makes several changes to the state's sex offender and criminal procedure laws.

Changes to the Sex Offender Registry

- Changes the name of the Sex Offender Registry to the "Sex and Violent Offender Registry" and requires persons convicted of murder or voluntary manslaughter to register on the sex and violent offender registry under the same conditions applying to registration by sex offenders.

- Promotion of human trafficking if the victim is less than 18 years of age, promoting prostitution as a Class B felony, sexual trafficking of a minor, human trafficking if the victim is less than 18 years of age and possession of child pornography as a first offense will now be added to the list of offenses requiring a person to register as a sex offender.
- Registration as a sex offender is not required for a parent or guardian who is convicted of kidnapping or confining a child of the parent or a child over whom the guardian has guardianship;
- A person who was convicted of sexual misconduct with a minor as a Class C felony and the person is not more than four or five years older than the victim (depending on when the offense was committed), will not be required to register as a sex offender if the court does not deem it necessary.
- Removes the lifetime registration requirement for sexual battery as a Class D felony and imposes the standard 10 year registration requirement.
- Permits a county to adopt an annual sex offender registration fee that does not exceed \$50 and a sex offender address change fee that does not exceed \$5. Provides that 90 percent of each fee is deposited in the county Sex Offender Administration Fund and 10 percent of each fee is transferred to the state for deposit in the state sex Offender Administration Fund. Specifies that the funds are to be used for expenses related to the operation of the Indiana sex offender registry.
- Requires the Department of Correction to maintain records on certain sex offenders who are no longer required to register in Indiana.
- Requires a local law enforcement authority to notify the department of correction and update the National Sex Offender Registry database when a sex offender registers or the registration information changes.
- Establishes a procedure to permit certain offenders required to register in accordance with older laws to register in accordance with new laws.

Changes in sentencing for offenders

- Makes it a Class B felony for a person to commit child seduction by using a computer network if the person has a previous unrelated conviction for committing the offense by using a computer network.
- Prohibits the suspension of the first 30 years of the sentence for certain serious child molesting offenses.
- Requires a court to consider expert testimony before determining that a juvenile is likely to be a repeat sex offender and establishes a procedure for psychological evaluation of sex offenders to determine if they are sexually violent predators.
- Requires persons in Indiana convicted of murder or voluntary manslaughter to be placed on lifetime parole.
- Requires a sexually violent predator whose sentence does not include a commitment to the Indiana Department of Correction to be placed on lifetime parole.
- Specifies that a person is an offender against children if the person engages in a conspiracy to commit or attempts to commit an offense that would make the person an offender against children.
- Provides that a person who is not more than four years older than the victim, was involved in a dating relationship with the victim and did not use violence in the commission of the offense is not a sexually violent predator if certain other conditions are

met and further provides that the foregoing facts constitute a defense to the offense of sexual misconduct with a minor.

- Permits a court to suspend the sentence of a person convicted of nonviolent child molesting who is not more than four years older than the victim, who was involved in a dating relationship with the victim and who meets certain other conditions.

Other provisions

- Permits the Department of Correction to report certain fingerprint information to the state police department and makes certain other changes relating to fingerprinting.
- Specifies that "school property" for purposes of the offender against children statute, does not include the property of an institution providing postsecondary education.
- Provides that a juvenile court does not have jurisdiction over an individual for attempted murder.
- Adds a culpability standard to a criminal statute relating to the use of limited criminal histories.
- Establishes a procedure to permit an offender against children to petition a court to have the designation removed.
- Provides that the mistake-of-age defense to child molesting does not apply when the offense was committed by means of violence or the use of a drug.
- Reestablishes the Sentencing Policy Study Committee to evaluate sentencing laws and policies for an additional four years.

HEA 1387 ANIMAL CRUELTY

Author(s): L. LAWSON, BARDON, NEESE, DENBO

Sponsor(s): STEELE, LANANE

Citations Affected: IC 31-09; IC 34-06; IC 35-41; IC 35-46; Noncode

HEA 1387 specifies that the definition of "crime involving domestic or family violence" includes crimes involving animal cruelty used to threaten, intimidate, coerce, harass or terrorize a family or household member and makes it a Class D felony. Destruction of or injury to a fish or an animal that is threatening or harming livestock, a domestic animal or property are exempt from this statute. A court is permitted to prohibit or impose conditions on the right of a person convicted of certain animal cruelty offenses to possess an animal and specifies that animal cruelty based on abandonment or neglect may only be committed by the animal's owner and creates a defense if the owner reasonably believed that the animal was capable of surviving on its own. The legislation also increases the penalty for purchasing an animal with the intent to use the animal in an animal fighting contest from a Class A misdemeanor to a Class D felony. The state veterinarian or the designee of the state veterinarian is required to investigate the condition of a mistreated animal if the owner is criminally charged with an offense relating to the animal's mistreatment and make a recommendation concerning the animal's confiscation. The law makes sexual intercourse or deviate sexual conduct with an animal a Class D felony and requires a court to consider requiring a person who commits animal cruelty to receive counseling as part of the sentence or dispositional decree.

HEA 1437 FORENSIC DIVERSION PROGRAM**Author(s): FOLEY, V. SMITH****Sponsor(s): BRAY, LONG, LANANE****Citations Affected: IC 11-12; IC 12-23**

HEA 1437 requires that a court determine that it is appropriate for a person to participate in a pre-conviction or post-conviction forensic diversion program and that the person be accepted in the program before a person can participate. A person who has both a mental illness and an addictive disorder may participate in a forensic diversion program as allowed in the legislation. A court is permitted to allow a person referred by a prosecuting attorney's office or pretrial services bureau to utilize the facilities or programs offered by an alcohol and drug services program. The act also changes the definition of "criminal gang", for purposes of certain criminal statutes, to provide that a criminal gang consists of at least three members (instead of five members). It makes it a Class D felony for an individual to solicit, recruit, entice or intimidate another individual to join a criminal gang. It makes criminal gang recruitment a Class C felony if the solicitation, recruitment, enticement or intimidation to join a criminal gang occurs within 1,000 feet of school property; or the individual being solicited, recruited, enticed or intimidated to join a criminal gang is less than 18 years of age.

Under the act the Indiana Criminal Justice Institute (ICJI) must develop, maintain and identify grants and other funds for the criminal gang witness protection program. It also establishes a program to assist a person who witnesses criminal gang crime with certain expenses relating to cost of living, rent, cost of relocation, security deposits and other costs of relocation and transitional housing. It requires a court to order a criminal gang member to make restitution to a victim of a felony or misdemeanor committed by the criminal gang member.

HEA 1653 SEXUAL MISCONDUCT WITH AN INMATE**Author(s): DEMBOWSKI, DUNCAN, ELROD****Sponsor(s): ROGERS, LUBBERS****Citations Affected: IC 35-44; Noncode**

HEA 1653 makes it a Class C felony for a service provider to knowingly or intentionally engage in sexual intercourse or deviate sexual conduct with a person who is lawfully detained. It also makes it a Class B felony for a service provider who is at least 18 years of age to knowingly or intentionally engage in sexual intercourse or deviate sexual conduct with a lawfully detained person who is less than 18 years of age.

HEA 1654 SEX CRIME VICTIMS - POLYGRAPH EXAMINATION**Author(s): DEMBOWSKI, C. BROWN, L. LAWSON****Sponsor(s): STEELE, LANANE****Citations Affected: IC 5-12; IC 16-18; IC 16-21; IC 35-37**

HEA 1654 prohibits a law enforcement officer from requiring an alleged victim of a sex crime to submit to a polygraph or other truth telling device and does not allow a law enforcement officer to refuse to investigate, charge or prosecute a sex crime solely because the alleged victim has not submitted to a polygraph or other truth telling device. It removes restrictions for when the victim services division of the ICJI may reimburse a medical services provider for the costs in providing

forensic services. The act creates the secured storage fund to assist counties with paying for the secured storage of a sample from forensic medical examinations of a sex crime victim.

It requires a hospital to give notice to a victim of certain rights and to contact law enforcement and requires law enforcement to obtain the sample within 48 hours and transport the sample to secured storage. The sample taken must remain in secured storage for at least one year or until the sample is transported to the crime lab. Notice regarding the sample must be provided to the victim by ICJI.

It requires a prosecuting attorney to appoint a sexual assault response team if such a team is not established in a county or to join with one or more other counties to create a regional team. This team is required to develop a plan regarding evidence of sexual assaults. Failure to comply with certain statutory provisions, county plans or sexual assault response team protocols relating to the collection and preservation of evidence of a sexual assault does not, standing alone, affect the admissibility of evidence in a civil or criminal proceeding.

Criminal Procedure

SEA 411 WIRE TAP LAW

Author(s): HERSHMAN, WYSS, STEELE

Sponsor(s): TINCHER, BELL

Citations Affected: IC 35-33-5

SEA 411 includes additional offenses as designated offenses for purposes of intercepting electronic communication. Defines "electronic communication" to include any type of communication transmitted by a wire, a radio orally or an electromagnetic, a photo-electronic or a photo-optical system and replaces references to interception of a telephonic or telegraphic communication.

The act permits the State Police Department to authorize a law enforcement agency that has requested an interception to operate or monitor equipment under the supervision of the State Police. The Superintendent of the State Police Department may terminate an interception if there is probable cause that the allegations on which the interception is based are without merit. Further, the act requires that the law enforcement agency on whose behalf the State Police undertakes an interception is required to reimburse the State Police in certain circumstances.

A warrant is permitted for the interception of electronic communication without a written affidavit if the court receives sworn testimony of the same facts required for an affidavit in one of three ways: 1) a non-adversarial, recorded hearing before a judge, 2) orally by telephone or radio (recorded by the court) or 3) a written facsimile. A warrant issued without a written affidavit expires not more than 24 hours after it is issued. The act extends the period of time within which an interception warrant based upon a written affidavit is valid from 14 days to 30 days and extends the period of time within which the interception must occur from 3 days after the warrant is issued to 10 days after issuance. The act also repeals a provision requiring automatic appellate review of warrants issued for an intercept.

General Civil Law

SEA 419 INDIANA UNIFORM COMMERCIAL CODE

Author(s): SIMPSON, PAUL

Sponsor(s): BARDON, FOLEY

Citations Affected: IC 26-1; IC 32-31

SEA 419 modifies the General Provisions and the Documents of Title sections of the Indiana Uniform Commercial Code to conform with the Uniform Commercial Code.

HEA 1214 LANDLORD TENANT LAW

Author(s): PIERCE, MICON, KOCH

Sponsor(s): BRAY

Citations Affected: IC 32-31

HEA 1214 specifies that a tenant may not unreasonably withhold consent for a landlord to enter upon the tenant's dwelling to inspect, repair, improve, decorate, supply services or exhibit to buyers, mortgagees, tenants, workers or contractors.

The act provides that a landlord has no liability for the loss or damage to a tenant's personal property if the property has been abandoned. Property is considered abandoned if a reasonable person would conclude that the tenant had vacated the premises and surrendered possession of the personal property. An oral or written rental agreement may not define abandonment differently.

The act also provides that, under certain circumstances, a landlord may remove a tenant's personal property and deliver it to a storage facility approved by the court.

HEA 1509 LEASE PROTECTION FOR DOMESTIC VIOLENCE VICTIMS

Author(s): L. LAWSON, ULMER, BARDON

Sponsor(s): BECKER, LANANE

Citations Affected: IC 32-31; IC 34-30

HB 1509 prohibits a landlord from terminating a lease, refusing to renew a lease, refusing to enter into a lease or retaliating against a tenant solely because a tenant, an applicant or a member of tenant's or applicant's family is a victim or alleged victim of a sex offense, stalking or a crime involving domestic violence and has received a restraining order or a criminal no contact order. A tenant who is a victim or an alleged victim of a crime involving domestic or family violence, a sex offense or stalking may, at tenant's expense, have the locks of the tenant's dwelling unit changed within 24 hours of providing landlord with a copy of a restraining order if perpetrator is a tenant in the same dwelling unit (within 48 hours if perpetrator is not a tenant in the same dwelling unit). The act also provides that such a tenant is entitled to terminate the tenant's rights and obligations under the rental agreement if an accredited domestic violence or sexual assault program recommends relocation as a part of its safety plan for the tenant. A landlord is immune from civil liability for excluding the perpetrator from the dwelling unit under court order and for

the loss of use of or damage to personal property while the personal property is present in the dwelling unit.

HEA 1555 UNIFORM SECURITIES ACT

Author(s): BARDON, BURTON, RUPPEL

Sponsor(s): BRAY, LANANE

Citations Affected: IC 4-4; IC 5-1.5; IC 5-20; IC 6-8; IC 8-14.5; IC 8-21; IC 8-22; IC 23-2; IC 23-6; IC 23-19; IC 24-5; IC 27-1; IC 27-4; IC 28-2; IC 35-45; IC 35-46; IC 36-7; IC 36-7.5; IC 36-9; Noncode

HB 1555 adopts the Uniform Securities Act and repeals the current securities regulation statute.

HEA 1739 SALE OF HANDGUNS

Author(s): PELATH, MURPHY, DENBO, RESKE

Sponsor(s): NUGENT

Citations Affected: IC 35-47

HB 1739 eliminates the requirement that a firearms dealer, after selling a handgun, must forward a copy of Bureau of Alcohol, Tobacco, Firearms and Explosives Form 4473, completed and signed by a handgun purchaser, to the State Police Department. The act also prohibits the Superintendent of State Police from issuing a lifetime qualified license or a lifetime unlimited license to carry a handgun to a person who is a resident of another state. The Superintendent may issue a four year qualified or a four year unlimited license to carry a handgun to a resident of another state who has a regular place of business or employment in Indiana.

Courts

SEA 41 COMMISSION ON COURTS

Author(s): BRAY, BRODEN

Sponsor(s): KUZMAN, RICHARDSON

Citations Affected: IC 33-23-10-8

SEA 41 changes the expiration date of the Commission on Courts from June 30, 2007, to June 30, 2011.

SEA 125 COURT COSTS, FEES AND FINES

Author(s): DILLON, WALKER, STEELE, LANANE

Sponsor(s): KUZAN, ULMER

Citations Affected: Numerous changes of the Indiana Code

SEA 125 allows a court to suspend payment of court costs and court imposed fines until a convicted person has completed all or part of the person's sentence. It grants a court continuing jurisdiction over the convicted person until the costs and fines are completely paid and allows a court to use contempt proceedings or wage garnishment to enforce its order for payment. It specifies that the \$13 service of process fee that a sheriff is required to collect from a party

requesting service of a writ order, process, notice, tax warrant or any other paper completed by the sheriff may be collected only one time per case for the duration of the case.

SEA 346 MARION COUNTY SUPERIOR COURT

Author(s): BRAY, LUBBERS, BREAUX

Sponsor(s): PORTER, ELROD

Citations Affected: IC 7.1-3-2.3-3-1

SEA 346 In Marion County, prior to the enactment of this act, if the city-county council failed to divide the county into districts, the Superior Court sitting en banc (all the judges together) divided the county into districts. This act eliminates the requirement for all the judges to act in such a case and provides that five judges, chosen at random by the county clerk (with no more than three of any one political party) shall perform the task. The act establishes the same procedure for selection of judges (instead of all judges together) in cases of disputes between the executive and legislative branches in Marion County. The act provides that one judge in Marion County (instead of all the judges) shall hear remonstrators' appeals in redevelopment cases and appeals from denials, revocations and failures to renew wholesalers' alcoholic beverage permits.

SEA 347 MARION COUNTY JUVENILE DETENTION CENTERS

Author(s): BRAY, LUBBERS, BREAUX

Sponsor(s): PORTER, ELROD

**Citation Affected: IC 31-31-9-1.5; IC 31-31-9-2; IC 31-31-9-4; IC 31-31-9-5;
IC 31-31-9-6; IC 31-31-9-7; IC 31-31-9-8; IC 31-31-9-10**

SEA 347 moves control of the Marion County juvenile detention centers from the Marion County juvenile judge to the executive committee of the Marion County judges. It provides that a probation officer, other than the person who prepared the predispositional report, may be present at a juvenile delinquency dispositional hearing if the probation officer has knowledge of the predispositional report and any predispositional conferences which may have been held.

HEA 1001 STATE BUDGET

Author(s): CRAWFORD, COCHRAN

Sponsor(s): R. MEEKS, MRVAN, KENLEY, SIMPSON

**Citations Affected: NUMEROUS PROVISIONS THROUGHOUT
THE INDIANA CODE**

HEA 1001, state budget bill, also included provisions for new courts. *For more information, please refer to the section on the Budget.*

Within the budget, the following new courts were created:

- 1) Franklin Circuit Court - Authorizes the appointment of one full-time magistrate. Effective July 1, 2007.
- 2) Hamilton Superior Court - Authorizes the appointment of one additional magistrate. Effective July 1, 2007.
- 3) Jackson Superior Court - Adds an additional elected Superior Court judge. Effective January 1, 2008.

- 4) Clark County Circuit and Superior Courts - Authorizes the appointment of one additional full-time magistrate. Effective July 1, 2007.
- 5) Floyd County Superior Court - Adds 2 new Superior Court judges, creates a small claims and misdemeanor division and eliminates the County Court. Effective January 1, 2009.

Probate

HEA 1508 PROBATE AND TRUST MATTERS

Author(s): KOCH, KUZMAN, FOLEY

Sponsor(s): ZAKAS, STEELE, BRODEN

**Citations Affected: IC 6-1.1; IC 29-1; IC 29-3; IC 30-2; IC 30-4; IC 32-38;
IC 34-30; Noncode**

HEA 1508 provides that a trust is entitled to certain property tax deductions for real property owned by the trust if the property is occupied by an individual who has a beneficial interest in the trust, or would be considered the owner of the property if the property were a life estate and otherwise qualifies for the deduction. The bill specifies that the trust entitled to a deduction is not required to file a statement to apply for the deduction if certain conditions are met and eliminates the requirement that a trust certification document include the trust's taxpayer identification number. It also provides that the trustee of a trust to which an interest in real property is transferred is considered the insured owner under a title insurance policy issued for the interest in the property if the transfer meets certain conditions.

Notification Requirements:

When a court has not directed notice by rule, the default certified or registered mail option is replaced by the option to provide notice by first class postage prepaid mail. It specifies that the notice provided by the clerk of the court to an heir, a devisee, a legatee or a creditor when letters testamentary or of administration are issued shall be served by certified mail. The bill provides that the notice requirements applying to hearings on filed estate accountings also apply to a hearing on a petition for a court to decree the final distribution of an estate. It requires notice to be given by certified mail when a petition for the appointment of a guardian or for the issuance of a protective order is filed under the probate code. The bill specifies that when a petition for appointment of a guardian or for the issuance of a protective order is filed with the court, notice of the petition and the hearing on the petition shall be given by certified mail. The bill removes a provision requiring that notices concerning guardianship petitions be given according to the notice requirements applicable to hearings on guardianship petitions.

Wills:

The bill provides that a will can be admitted to probate more than three years after the decedent's death if the will is presented for probate less than 60 days after another will previously offered for probate is denied probate or the probate of another will previously admitted to probate is revoked.

Small Estates:

The bill authorizes the use of an affidavit to obtain the information necessary to determine whether the value of a decedent's gross probate estate is low enough to allow the estate to be

administered summarily. The bill also provides immunity from civil liability to a person who provides information in good faith reliance upon the affidavit. The bill increases the maximum gross value of a probate estate that may be summarily distributed and closed upon the filing of an affidavit from \$25,000 to \$50,000.

Personal Representative:

The bill specifies that the personal representative has the right to take possession of all the property of the decedent, without exception. It also removes a provision under which the personal representative is not authorized to possess property subject to the surviving spouse and family allowances.

Guardianships:

The bill provides that upon the termination of a guardianship any remaining property subject to the guardianship may be transferred to a trust approved by the court or to a custodian under the Uniform Transfers to Minors Act.

Uniform Transfers to Minors Act:

The bill authorizes the self-appointment of certain fiduciaries as custodians under the Uniform Transfers to Minors Act.

Economic Development

SEA 461 GEOGRAPHIC INFORMATION SYSTEMS (GIS)

Author(s): FORD, KRUSE, MRVAN

Sponsor(s): RESKE

Citations Affected: IC 4-22-2.1-6

SEA 461 repeals the law establishing the Intelnet Commission and requires the Office of Technology to assume the functions of the Intelnet Commission. Under this legislation, a state Geographic Information Systems (GIS) officer will be appointed by the governor. The officer is required to adopt or veto the GIS Data Standards and the Statewide Data Integration Plan recommended by Indiana Geographic Information Council. The State Data Center of the State Library will store the state's GIS data and along with the GIS Officer, implement and enforce the state's GIS Data Standards. It also provides that the "Buy Indiana Presumption" shall be observed in all procurement decisions related to the state GIS data standards.

HEA 1281 BIO BASED PRODUCTS

Author(s): KOCH, GRUBB, PFLUM

Sponsor(s): HEINOLD, FORD, STEELE

Citations Affected: IC 5-22-1.2; IC 5-22-5-9; IC 5-22-15

HEA 1281 requires governmental bodies and state educational institutions to purchase bio-based products under certain circumstances. It will establish the Indiana Bio-based Products Advisory Commission that will be paid for and staffed by the Indiana Department of Agriculture. The commission will study and recommend policies to encourage use, manufacturing and development of bio-based products. The commission will be made up of 11 members appointed by the governor with no more than six members from the same political party.

HEA 1424 CERTIFIED TECHNOLOGY PARKS

Author(s): AUSTIN, MICON, BORROR, MOSES

Sponsor(s): FORD, LANANE, ALTING

Citations Affected: IC 36-7-32-11; IC 36-7-3.2-12

HEA 1424 allows the review of certified technology parks by the Indiana Economic Development Corporation (IEDC). The IEDC will develop procedures and the criteria for reviewing the technology parks with the parks submitting the following information:

- Total employment and payroll levels for all businesses operating within the park.
- The nature and extent of any technology transfer activity occurring within the park.
- The nature and extent of any non-technology businesses operating within the park.
- The use and outcomes of any state money made available to the park.
- An analysis of the park's overall contribution to the technology-based economy in Indiana.

These parks must be recertified every four years and the failure of any party to comply with the terms of an agreement to establish a park may result in the termination or rescission of the designation of the area as a certified technology park.

HEA 1426 ECONOMIC INCENTIVES ACCOUNTABILITY**Author(s): AUSTIN, STEVENSON, NEESE, MAYS****Sponsor(s): FORD, LANANE, GARD****Citations Affected: IC 5-28-28**

HEA 1426 requires that the IEDC report on certain tax credits, loans and grants awarded or approved by the IEDC. The bill allows the IEDC to seek to reclaim parts of certain loans and grants if the recipient has not, in the absence of good cause, complied with the representations that were made in obtaining the loan or grant. The IEDC does not have to make annual reports concerning the Economic Development for a Growing Economy (EDGE) Tax Credit Program and the Hoosier Business Investment Tax Credit Program under this legislation.

HEA 1566 WOMEN AND MINORITY BUSINESSES IN INDIANA**Author(s): CRAWFORD, DUNCAN****Sponsor(s): FORD, SIMPSON****Citations Affected: IC 4-33-16.5-1; IC 4-13-16.5-1.3; IC 4-13-16-5.2**

HEA 1566 makes several changes regarding women and minority businesses in Indiana. The changes include expanding the definition of "minority business enterprise" to include qualified minority non-profit corporations and certain non-profit corporations. The statistical analysis conducted by the Governor's Commission on Minority and Women's Business Enterprises must use criteria for participation of minority business enterprises established in *Richmond v. Croson*. The analysis must also include information on both contracts and subcontracts and use data based on the combined capacity of minority businesses in Indiana and not just regional data.

This analysis must be conducted during the 2007-2008 fiscal year. Under the legislation, the commission must evaluate the competitive differences between qualified minority or women's nonprofit corporations and other qualified minority or women's nonprofit corporations that offer similar services.

The goals, objectives and statistical analysis concerning the awarding of contracts to minority and women businesses apply to state educational institutions as well.

HEA 1774 REGIONAL DEVELOPMENT AUTHORITIES**Author(s): VANHAAFTEN, BORROR, CROUCH, MOSES****Sponsor(s): RIEGSECKER, BECKER****Citations Affected: IC 5-1.5; IC 5-8; IC 5-1; IC 5-4.1; IC 6-3-5-7.5**

HEA 1774 creates several provisions for the establishment and governance of regional development authorities. Included in the bill:

- The establishment of not more than two regional development authorities in each economic growth region as designated by the Department of Workforce Development. Counties and second class cities are allowed to establish the development authorities.

Membership

- If a county becomes a member of a development authority, each municipality in the county is also a member of the development authority.
- A county may be a member of a development authority only if the county is bordering at least one other county that is a member of the development authority.
- A second class city may also be a member of a development authority, but only if the county in which the city is located is bordering at least one other county that is a member of the development authority.
- A county or second class city shall be a member of the development authority for five years after the date the county or second class city becomes a member of the development authority.
- At least 12 months and not more than 18 months before the end of a five year period, the fiscal body of a county or second class city that is a member of an authority must adopt a resolution that either commits the county or city to an additional five years or withdraws them from membership in the development authority.

Governance

- A development authority is governed by a board consisting of one individual appointed by the executive of each county and each second class city that is a member of the development authority.
- If a development authority receives or will receive an appropriation, grant or distribution of money from the state, the board may adopt a resolution to add one or more members appointed by the governor to the board.
- Each county and each municipality that is a member of a development authority must pay an annual fee to the authority. Revenue raised from the County Economic Development Income Tax (CEDIT) rate of .05 percent is used for payment. A county that is a member may also impose an additional CEDIT at a rate of .05 percent.
- Except in a county in which the additional CEDIT has been imposed, a county's or municipality's required payments to the development authority may be made from any local revenue other than property tax revenue. This includes excise tax revenue, income tax revenue, local option tax revenue, riverboat tax revenue, distributions, incentive payments or money deposited in the county's or municipality's local Major Moves Construction Fund.
- The Indiana Bond Bank is authorized to provide bond and loan financing to a development authority.
- A development authority is authorized to make loans, loan guarantees and grants to or on behalf of a county, a municipality, a commuter transportation district, an airport authority, an airport development authority and a regional transportation authority. An authority can also issue bonds, land or projects to a commuter transportation district, an airport development authority, a regional transportation authority as well as use the development authority's funds to match federal grants.
- A development authority must submit a comprehensive strategic development plan to the Budget Committee and to the Director of the Office of Management and Budget for approval.
- The report must include the proposed air, rail, transportation and other economic development projects to be undertaken or financed by the development authority.

- The timelines, budgets, returns on investment, projected need for ongoing subsidies and projected federal matching funds for each project.
- Projects funded by a development authority must be of regional importance.
- Development authorities must comply with public purchasing, public works and common construction wage laws as well as any applicable federal bidding statutes and regulations.
- A political subdivision that receives a loan, grant or other financial assistance from the development authority must comply with applicable federal, state and local public purchasing and bidding laws and regulations.
- A development authority can only sell bonds issued by the authority to the Indiana Bond Bank.
- A development authority is required to issue an annual report to the Legislative Council, the Budget Committee and the governor concerning the operations and activities of the authority during the preceding state fiscal year.
- A development authority is authorized to enter into an agreement to jointly equip, own, lease and finance projects and facilities or otherwise carry out the purposes of the development authority.
- An authority is required to assist in the coordination of local efforts concerning airport development projects, transportation projects, a commuter transportation district, an airport authority as well as fund various projects and facilities, including intermodal transportation projects and regional trails and greenways.

Education

K-12 Education

SEA 30 EDUCATION FOUNDATION

Author(s): WALTZ

Sponsor(s): PORTER

Citations Affected: IC 20-47-1.6

SEA 30 provides that until June 30, 2012, the governing body of a school corporation may donate up to \$25,000 per year from the general fund of the school corporation to a public school endowment corporation for the future use of the school corporation for programs and activities that enhance the quality of education or extend learning opportunities for students of the school corporation. Matching private funds on at least a dollar for dollar basis for each dollar contributed by a school corporation would be required.

SEA 192 TORNADO PREPAREDNESS DRILL

Author(s): LUBBERS, KRUSE, ALTING, WYSS

Sponsor(s): PORTER, BEHING

Citations Affected: IC 5-2.8-1

SEA 192 requires schools to conduct at least one tornado preparedness drill and one man-made disaster occurrence drill during each semester.

School safety committees are required to submit a copy of the floor plans for each building located on the school's property to the local law enforcement agency and the fire department. School corporations must abate certain school building safety violations that are not immediate safety hazards before one year after the state fire marshal's determination or six months after the start of the school corporation's next budget year, whichever is earlier.

The act also provides that the governing body of a school corporation may establish a school corporation police department staffed by police officers who have general police powers. School corporation police officers have law enforcement academy education, pre-basic and basic training and participate in local continuing education programs. School corporation police officers' survivors are eligible for death benefits. The legislation retroactively allows a school corporation police department established before July 1, 2007, to fall under the provisions of this legislation.

SEA 330 LEGAL SETTLEMENT OF FOSTER CHILDREN

Author(s): LAWSON, LUBBERS

Sponsor(s): SUMMERS, BELL

Citations Affected: IC 20-26-1.1-8

SEA 330 provides students placed in a foster family home or the home of a caretaker the option of attending school in either the school corporation in which the foster home is located or in the school corporation in which the student has legal settlement. Transfer tuition may be involved in certain cases. The bill allows a juvenile court to determine the legal settlement of a student who

is under the jurisdiction of the court and place the juvenile in a public school with an appropriate educational program. Language within the act defines “homeless student,” for purposes of school transportation law, to include a student who is awaiting placement in a foster family home.

The legislation also permits a school corporation to enter into an agreement with a non-profit corporation that educates certain children who have been placed by or with the consent of the Department of Education to provide students with an individualized education program.

SEA 342 SCHOOL ABSENCES FOR CIVIL AIR PATROL (CAP)

Author(s): FORD, LANDSKE

Sponsor(s): RESKE

Citations Affected: IC 20-33-2-17.2

SEA 342 requires that a secondary school student who is a member of the Indiana wing of the Civil Air Patrol (CAP) be excused for not more than five absences per school year for certain emergency service operations. *For more information, please refer to the section on Veteran issues, Military Affairs and Public Safety.*

SEA 345 VOCATIONAL TECHNICAL PROFICIENCY PANEL

Author(s): LUBBERS, FORD

Sponsor(s): CHENEY

Citations Affected: IC 20-32-3.1; IC 20-32-3.4

SEA 345 repeals provisions establishing the Vocational Technical Proficiency Panel (also called the Workforce Proficiency Panel). The bill also repeals a provision that requires the panel to adopt standards for postsecondary certificates of achievement for technical education programs. The Indiana Workforce Proficiency Panel was established within the Department of Workforce Development to work with the business, labor and education sectors to identify a common set of essential skills and technical proficiencies for major occupational areas.

SEA 408 PROGRAM FOR HIGH ABILITY STUDENTS

Author(s): LUBBERS, DROZDA, KRUSE, ALTING, SIPES, MILLER, MERRITT

Sponsor(s): PORTER, BEHNING

Citations Affected: IC 20-20-8-8

SEA 408 requires a school corporation to establish a program for high ability students consistent with federal, state, local and private funding sources and sets forth requirements for assessments to identify high ability students. Language for reporting purposes is changed from “gifted and talented” to “high ability.”

As of spring 2007, four school corporations had not applied for the state gifted and talented grant. Currently 243 of the 323 schools corporations reported approximately \$18 million in expenditures on gifted and talented programs in their biannual financial report.

SEA 451 EMERGENCY COMMUNICATION DISORDER PERMIT**Author(s): BECKER, LUBBERS, SIPES****Sponsor(s): REARDON, PORTER, HARRIS****Citations Affected: IC 25-35.6-1-7**

SEA 451 allows the Department of Education to issue an emergency communication disorder permit to an individual to serve the needs of certain students who are eligible for speech and language services. To receive an emergency communication disorder permit, an individual must have a bachelor's degree or its equivalent in speech, language and hearing sciences and be enrolled in a graduate program in communication disorders. For the 2005-2006 school year, there were about 1,214 speech language pathologists serving about 50,785 students. Based on a survey conducted by the Department of Education for the 2006-2007 school year, schools have about 109.5 positions that remain unfilled and currently contract for about 103.7 positions

HEA 1001 STATE BUDGET**Author(s): CRAWFORD, COCHRAN****Sponsor(s): R. MEEKS, MRVAN, KENLEY, SIMPSON****Citations Affected: NUMEROUS PROVISIONS THROUGHOUT
THE INDIANA CODE**

HEA 1001, the 2008-2009 state budget, provided an average 3.8 percent increase each year for schools under the school funding formula. The budget also included \$96 million over the biennium appropriated for grants to schools which want to offer full-day kindergarten. *For more on the budget's impact on education, please refer to the section on the Biennial Budget.*

HEA 1059 STUDY OF HOLOCAUST**Author(s): KERSEY, ROBERTSON, PORTER, BOSMA****Sponsor(s): LUBBERS, SKINNER****Citations Affected: IC 20-30-5-7**

HEA 1059 requires public school corporations to include a study of the Holocaust in each high school United States history course beginning with the 2007-2008 school year

**HEA 1116 TEACHERS LICENSED IN CARDIOPULMONARY RESUSCITATION
(CPR), THE HEIMLICH MANEUVER****Author(s): CHEATAM, KLINKER, DERMODY****Sponsor(s): LANDSKE, ROGERS****Citations Affected: IC 20-28-5-3; IC 20-34-5**

HEA 1116 require all teachers licensed by the state of Indiana on or after July 1, 2007 to successfully complete training in cardiopulmonary resuscitation (CPR), the Heimlich maneuver and how to remove a foreign body that is obstructing the airway before a license is granted. Such training and certification would be provided by the American Red Cross, the American Heart Association or another approved organization. The legislation establishes immunity from liability for certain acts or omissions by a teacher who has been trained in CPR, removing obstructions and the Heimlich maneuver.

Another provision in the legislation establishes a new training program for school nurses and employees who volunteer to assist students with diabetes in managing and treating their diabetes. The bill also sets requirements for individualized health plans for students managing and treating diabetes while at school or school activities.

Additionally, the bill added new reporting requirements for school corporations which will now report information on the number of students with chronic diseases and the number of school nurses to the state. The Department of Education, in turn, will now be required to report certain information to the Health Finance Commission. The new legislation provides immunity to governmental entities and employees acting within the scope of the employees' duties from a loss resulting from the operation of an authorized emergency vehicle under certain circumstances.

HEA 1266 TWENTY-FIRST CENTURY SCHOLARSHIP PROGRAM

Author(s): AVERY, SUMMERS, STUZTMAN, NOE, KLINKER, BARDON

Sponsor(s): LUBBERS, SIPES, LAWSON

Citations Affected: IC 20-12-21-6.3; IC 20-12-70-2

HEA 1266 expands the number of students eligible for the Twenty-First Century Scholarship Program to include students who are in foster care and students in certain non-public schools. A student who is in foster care or has been placed in a child caring institution, a group home or the home of a relative or other unlicensed caretaker is considered a full-need student by the State Student Assistance Commission (SSACI) and receives information concerning the Twenty-First Century Scholars program from the student's caseworker. The bill requires the SSACI to adopt rules allowing a student in foster care to enroll in the scholarship program at any time during high school if the student agrees to meet certain eligibility criteria for at least six months after graduation from high school. Students in certain non-public schools that are accredited by the State Board of Education or by a national or regional accrediting agency whose accreditation is accepted as a school improvement plan (under IC 20-31-4-2) could also be eligible for the Twenty-First Century Scholarship Program.

HEA 1300 ADVANCED PLACEMENT PROGRAMS

Author(s): PORTER, ROBERTSON, DERMODY

Sponsor(s): LUBBERS, SIPES, SKINNER

Citations Affected: IC 20-36-3.2

HEA 1300 encourages the Department of Education to pursue federal grant opportunities to increase the awareness and availability of and participation in Advanced Placement programs for low income students.

HEA 1428 AUTISM AND ASPERGER'S SYNDROME TRAINING

Author(s): HOY, RICHARDSON, MURPHY

Sponsor(s): LUBBERS, MILLER, ERRINGTON

Citations Affected: IC 20-26-5-31

HEA 1428 requires every school corporation police officer or regular or special police officer assigned to a school to complete training on autism and Asperger's syndrome. School boards

may also adjourn its schools to allow teachers, school administrators and paraprofessionals to participate in a basic or in-service course of education and training on autism.

HEA 1489 NON-PERMANENT TEACHER CANCELLATION

Author(s): CHENEY, BEHNING

Sponsor(s): LUBBERS, TALLIAN

Citations Affected: IC 20-28-7-9

HEA 1489 provides a non-permanent teacher 10 days to request a conference with the school board after receiving a notice from the board of the non-renewal of the teacher's contract. The bill specifies that, if the non-renewal of the teacher's contract is not due to a reduction in force, the notice must inform the teacher that he or she may request a conference within ten days of receipt of the notice. The school board may not take action until after the 10 day period has ended.

HEA 1647 TWENTY-FIRST CENTURY SCHOLARS

Author(s): PORTER, REARDON

Sponsor(s): BEHNING, ROBERTSON

Citations Affected: IC 20-12-70-2; IC 20-20-6-1

HEA 1647 expands eligibility for the Twenty-First Century Scholars program to 7th grade students and, beginning with the 2008-2009 school year, to 6th grade students. The bill also requires an individual to be at least 18 or to have withdrawn from school with permission to receive a GED diploma.

The bill also modifies the formula for determining graduation rates and adds an informational five-year and six-year graduation rate determination. The four-year graduation rate calculation is the number of students graduating in a year divided by the number of students enrolled in 9th grade at the period of reporting year four years before adjusted by the number of students that have entered and left the graduating class.

Higher Education

HEA 1001 STATE BUDGET

Author(s): CRAWFORD, COCHRAN

Sponsor(s): MEEKS, MRVAN, KENLEY, SIMPSON

**Citations Affected: NUMEROUS PROVISIONS THROUGHOUT
THE INDIANA CODE**

HEA 1001, the 2008-2009 State Budget, provided operating increases of 3.5 percent in 2008 and 4.5 percent in 2009 for state universities. *For more information, please refer to the section on the Biennial Budget.*

HEA 1256 DIVERSITY COMMITTEES AT STATE UNIVERSITIES**Author(s): V. SMITH, PORTER****Sponsor(s): LUBBERS, KENLEY, SIPES****Citations Affected: IC 20-12; IC 23-13**

HEA 1256 creates a diversity commission at the main campus and each regional campus of each state educational institution. The commissions will review and recommend employment policies concerning diversity, review faculty and administration personnel complaints concerning diversity, make recommendations to promote and maintain cultural diversity among faculty members of state educational institutions and make recommendations to promote recruitment and retention of minority students. Each commission will submit an annual report to their respective board of trustees

HEA 1301 IVY TECH COMMUNITY COLLEGE**Author(s): PORTER, BEHNING****Sponsor(s): LUBBERS, BREAU****Citations Affected: IC 20-12-61-1.6; IC 20-12-61-5**

HEA 1301 eliminates the authority of the Ivy Tech Community College State Board of Trustees to change the name of the college without the approval of the governor and incorporates current practice of having the treasurer of Ivy Tech provide a financial report at each regular meeting of the State Board of Trustees. The State Board of Trustees can also provide for periodic audits of the financial records of the administrative regions.

The act also provides that the Ivy Tech Regional Boards may have more than seven members and that the regional boards must submit the names of one or more candidates (instead of three) whenever there is a vacancy to be filled. The bill also reinforces Ivy Tech's workforce development mission.

Environment and Natural Resources

SEA 106 GRANTS AND LOANS FOR THE DEVELOPMENT OF ALTERNATIVE FUEL TECHNOLOGIES

Author(s): LANANE, SKINNER, HERSHMAN, HEINOLD, BREAUX

Sponsor(s): RESKE

Citations Affected: IC 5-28-16-2

SEA 106 provides that grants and loans for the development of alternative fuel technologies and the development and production of fuel efficient vehicles may be provided from the Twenty-First Century Research and Technology Fund.

SEA 154 ENVIRONMENTAL MATTERS

Author(s): GARD, TALLIAN

Sponsor(s): DVORAK, WOLKINS

Citations Affected: IC 4-4-2.4-2

SEA 154 allows an environmental rulemaking board to adopt an emergency rule to comply with a date provided by federal law. The act establishes a special environmental rulemaking process for adoption and incorporation by referencing federal provisions and requires the Environmental Quality Service Council to study environmental rulemaking and recycling issues.

The act changes the name of the Indiana Recycling and Energy Development Board to the Indiana Recycling Market Development Board (IRMDB), reduces membership from 13 to 9 and adjusts the subject areas that must be represented by members. Administration of the IRMDB is now done by the IDEM Division of Pollution Prevention instead of the lieutenant governor. The act terminates the terms of the members of the former board and directs the governor to appoint the IRMDB members before July 1, 2007. The legislation deletes references to IRMDB activities concerning energy resources and substitutes activities concerning recycling and uses of solid waste and eliminates the ability of the lieutenant governor to use the Waste Tire Management Fund.

SEA 155 ALCOHOL BLENDED FUEL UNDERGROUND STORAGE TANKS

Author(s): GARD, HUME

Sponsor(s): DVORAK, WOLKINS

Citations Affected: IC 13-23-5-1

SEA 155 deals with alcohol blended fuel underground storage tanks. With respect to the prohibition against installation of certain underground storage tanks (USTs) before the effective date of certain rules, this act adds to the criteria of exceptions from the prohibition the requirement that all newly installed or replaced piping connected to the tank meet the secondary containment requirements adopted by the solid waste management board. With respect to USTs that contain alcohol blended fuels composed of greater than 15 percent alcohol, the act exempts the USTs from that prohibition if they meet certain standards and provides that the USTs are subject to certain release response and detection requirements. The act also adds effective date provisions and adjusts limitations on payments from the excess liability trust fund, which

provides a mechanism for the reimbursement for the costs of cleanup of petroleum released from USTs.

SEA 205 ENVIRONMENTAL MATTERS

Author(s): GARD, HUME

Sponsor(s): DVORAK, WOLKINS

Citations Affected: IC 13-20-2-9

SEA 205 provides that a person who holds a valid solid waste landfill construction permit for a facility that has not been substantially developed and has not begun construction within five years from when the permit was issued must apply for a new permit. In addition, people who hold a valid solid waste landfill construction permit for construction at an operation facility and have not begun construction within five years must meet all current environmental standards at time when construction commences.

SEA 270 FLEXIBLE FUEL VEHICLE INCENTIVES

Author(s): HEINOLD, WEATHERWAX, HERMAN

Sponsor(s): GRUBB, SOLIDAY, VANHAAFTEN

Citations Affected: IC 6-2.5-7-5

SEA 270 increases the amount of the additional sales tax allowance for sales tax collected by retail merchants on the sale of E85 from \$0.10 per gallon to \$0.18 per gallon. It also reduces the maximum amount of increased allowances that may be allowed from \$2 million to \$1 million. The act extends the period of time in which the additional E85 allowance may be claimed. If a political subdivision uses 75 percent E85 in their E85 vehicles, they will receive a monthly incentive payment.

To spur the creation of a fueling structure for E85, the act establishes an E85 fueling station grant program. The Department of Agriculture will receive \$1 million for the grant program. Recipients of E85 fueling station grants are required to comply with any guidelines developed by the State Department of Agriculture's Office of Energy and Defense Development (OEDD). The OEDD must determine the amount of each E85 fueling station grant and provide that the amount of the grant may not exceed the lesser of \$5,000 or the applicant's qualified investment.

SEA 286 ENVIRONMENTAL CRIMES AND INFRACTIONS

Author(s): KENLEY, BRAY, BRODEN, GARD

Sponsor(s): DVORAK, WALORSKI

Citations Affected: IC 4-6-3-3

SEA 286 makes violations of certain environmental statutes or permits Class D felonies. The act makes certain environmental crimes Class C felonies if the crimes result in the death of a person. It also requires a court to consider any improper economic benefit received by a defendant, including unjust enrichment, in determining the level of fine to impose. A person who makes a material misstatement in an application for a permit or for certain forms of financial assistance commits a Class D felony. Poisoning a water supply or tampering with a water supply with intent to cause serious bodily injury is now a Class B felony.

The act further allows a prosecuting attorney to appoint the Attorney General or a Deputy Attorney General as a special prosecuting attorney to assist in criminal proceedings related to a violation of environmental law. The bill also repeals current provisions establishing offenses that are superseded by this bill. It makes disposing of sewage accumulated in a holding tank or any other container on a watercraft in a manner that the sewage reaches or may reach public waters or depositing litter, filth, a putrid or unwholesome substance, or the contents of a toilet, catch basin or grease trap from a watercraft into or upon public waters or the banks of public waters a Class A infraction instead of a Class B infraction. The act makes littering a Class A infraction instead of a Class B infraction if refuse is placed or left in, on or within 100 feet of a body of water that is under the jurisdiction of the Department of Natural Resources or the United States Army Corps of Engineers. It requires that a civil judgment of at least \$1,000 be imposed for these Class A infractions. This language is similar to language found in HEA 1738.

HEA 1017 COMMITTEE AND NON COMMITTEE WATER SYSTEMS

Author(s): HEINOLD, BOWSER

Sponsor(s): PELATH, DERMODY

Citations Affected: IC 13-11-2-35.5

HEA 1017 provides that for purposes of the safe drinking water law, a community water system is a public water system that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents and in which all the service connections are located on the same parcel of real estate or all the components of the system are connected. The act requires IDEM to pay certain costs of well water testing incurred by a non-transient, non-community water system operated by a nonprofit center for advocacy for abused and neglected children that does not provide overnight care on site. It also sets forth procedures by which a specified nonprofit center may apply to IDEM for reimbursement for amounts paid by the center for well water testing.

HEA 1065 SPECIAL FUEL TAX EXEMPTION FOR CERTAIN BIOFUELS

Author(s): MICON, GRUBB, KOCH

Sponsor(s): KENLEY, STEELE

Citations Affected: IC 6-6-25-2.8

HEA 1065 deals with special fuel tax exemption for certain biofuels and provides a special fuel tax exemption for certain biofuels produced for personal, noncommercial use.

HEA 1192 ENVIRONMENT LAW MANAGEMENT

Author(s): ULMER, HOY, DVORAK

Sponsor(s): GARD

Citations Affected: IC 13-11-2-77

HEA 1192 requires the Department of Environmental Management to provide notice of a release from, a spill from or an overfilling of an underground storage tank (UST) system to the county health officer of each county in which the release, spill or overfill occurred. The act requires a county health officer that receives notice from the department to publish notice of the release, spill or overfill in a newspaper of general circulation in the county health officer's county and

provide any other notice of the release, spill or overfill the county health officer considers necessary or appropriate.

The act adjusts limitations on payments from the Excess Liability Trust Fund. With respect to the prohibition against installation of certain USTs before the effective date of certain rules, the act adds to the criteria for exception from the prohibition the requirement that all newly installed or replaced piping connected to the tank meets the secondary containment requirements adopted by the solid waste management board.

Further, with respect to USTs that contain alcohol blended fuels composed of greater than 15 percent alcohol, the act makes an exception of the USTs from that prohibition if they meet certain standards and provides that the USTs are subject to certain release response and detection requirements.

It broadens the scope of permissible uses of the Environmental Remediation Revolving Loan Fund. It increases from 10 percent to 50 percent the amount of money available in the fund that may be loaned by the Indiana Finance Authority to any one political subdivision in a state fiscal year. The act allows the authority to undertake activities to make private environmental insurance products available to encourage and facilitate the cleanup and redevelopment of brownfield properties, enter into agreements with political subdivisions for various purposes related to environmental investigation and remediation and provide services to and collect fees from any person in connection with financial assistance, liability clarification, and technical assistance.

The act requires the deposit of fee revenue in the fund. It provides governmental immunity to the authority with respect to investigation and remediation of brownfields under agreements with political subdivisions. The act allows redevelopment commissions to enter into agreements with the authority and to carry out environmental investigation and remediation. It provides that no activity of a political subdivision related to investigation or remediation on a brownfield site will be considered to contribute to the contamination at the site unless caused by gross negligence or willful misconduct. The act provides that a nonprofit corporation that supports a political subdivision is not liable to the state for certain environmental remediation costs and damages unless the corporation causes or contributes to the environmental contamination.

Furthermore, the act eliminates the requirement that a person that brings an environmental legal action (ELA) be a private person and specifies that a person may bring an ELA regardless of whether the person caused or contributed to the hazardous substance release or petroleum release that is the basis for the ELA. The act requires a Regional Sewage District (RSD) that seeks to require connection to the RSD's sewer system of property that is located outside the RSD's territory and within 300 feet of the system to provide the property owner with a letter of recommendation from the local health department that the connection is necessary to protect the public's health. The act prohibits the RSD from requiring the property owner to connect if the property is already connected to a sewer system that has received a National Pollutant Discharge Elimination System permit and has been determined to be functioning satisfactorily. It requires a RSD that adopts an ordinance to increase its rate and charges more than five percent per year to give notice to affected users.

HEA 1281 BIOPRODUCTS INITIATIVE**Author(s): KOCH, GRUBB****Sponsor(s): HEINOLD, FORD****Citations Affected: IC 5-22-1-2**

HEA 1281 requires governmental bodies and state educational institutions to purchase bio-based products under certain circumstances. *For more information, please refer to the section on Economic Development.*

HEA 1722 UTILITY MATTERS**Author(s): STILLWELL, BATTLES, WHETSTONE, CROOKS****Sponsor(s): HERSHMAN, TALLIAN, HUME****Citations Affected: IC 6-3.1-27-9.5; IC 6-3.1-28-9; IC 6-3.1-28-11**

HEA 1722 provides that a taxpayer may not sell, assign, convey or otherwise transfer an ethanol production tax credit. *For more information, please refer to the section on Utilities.*

Natural Resources**HEA 1299 SENIOR FISHING LICENSE****Author(s): BISCHOFF, ULMER, WELCH****Sponsor(s): JACKMAN, WEATHERWAX, LEWIS****Citations Affected: IC 14-22-11-8; IC 14-22-12-1**

HEA 1299 exempts residents born before April 1, 1943 from fishing license and trout-salmon stamp requirements. The act establishes a resident senior yearly license to fish at an annual cost of \$3.00. It also establishes a resident senior "fish for life" license at a cost of \$17.00. For both licenses, the applicant must have been born after March 31, 1943.

HEA 1335 COAL MINING**Author(s): STILLWELL, BATTLES, DAVIS****Sponsor(s): LANDSKE, R. YOUNG****Citations Affected: IC 22-1-1-5**

HEA 1335 revises provisions concerning the mining board and the director of the Bureau of Mines and Mine Safety. The act limits the availability of coal mine maps to certain people. The act repeals various provisions of state underground mining law that are preempted by federal law. The act replaces the mining employee board certification category of fire boss with mining examiner, and eliminates the board certification categories of assistant mine foreman and mine electrician. It transfers certain duties from the State Mine Inspectors to the director of the bureau. Further, it eliminates the requirement that quarterly meetings of the board be held on the second Saturday of the month. It also requires the bureau to maintain one or two mine rescue teams and authorizes the commissioner of labor to contract with a mine operator to supply one of the teams. The act requires that fees paid to the board be deposited in the Mine Safety Fund. Finally, the legislation authorizes certain individuals to test coal mine employees for illegal use of drugs or alcohol. Makes conforming amendments.

HEA 1738 WATER RESOURCES**Author(s): WELCH, PIERCE, KOCH, CROOKS****Sponsor(s): GARD, SIMPSON****Citations Affected: IC 14-25-2-2; IC 14-25-2-2.5; IC 35-43-1-5**

HEA 1738 provides that the Natural Resources Commission may not contract with a person to provide the person with certain minimum quantities of stream flow or sell water to the person from reservoir impoundments financed by the state unless the Department of Natural Resources (DNR) and the advisory council follow certain procedures, including providing notice of the proposed contract and holding public meetings on the proposed contract. The act requires a person holding an existing contract with the commission for water from the reservoir to provide notice of the request to any water utility or other person to whom it sells water for resale. It requires each water utility or other person that receives notice to in turn provide notice of the request to any water utility or other person to whom it sells water for resale.

The act also specifies that for purposes of the statute making poisoning a public water supply a Class B felony, a person must act with the intent to cause serious bodily injury. The legislation provides that for purposes of the statute making it a Class A infraction to litter in, on, or within 100 feet of a body of water under the jurisdiction of the DNR or the U.S. Army Corps of Engineers, a judgment of not more than \$1,000 (rather than a judgment of at least \$1,000, as in current law) may be imposed. The act requires the Water Resources Study Committee to study and make findings and recommendations concerning current processes and methods for water resource allocation and distribution in Indiana and appropriate policies governing future water resource allocation and distribution planning in Indiana. The act also requires the committee to report its findings and recommendations to the Legislative Council not later than November 1, 2007.

HEA 1146 ARTIFICIAL LIGHT OR A SILENCER TO TAKE AN ANIMAL**Author(s): BISHOFF, CHENEY****Sponsor(s): JACKMAN, LEWIS****Citations Affected: IC 14-22-6-7; IC 14-22-6-11**

HEA 1146 allows an employee of DNR or an employee of a federal wildlife management agency to use an artificial light or a silencer to take an animal if the employee is acting in the performance of the employee's duties and has received the express written consent of the director of DNR.

Families and Children

SEA 104 CHILD CARE COMMITTEE

Author(s): LAWSON, SIPES

Sponsor(s): SUMMERS, CRAWFORD

Citations Affected: IC 12-17-2-2.5; IC 12-17-2-3.3

SEA 104 established one legislative study committee and two committees within FSSA related to child care regulation.

First, the bill requires the Division of Family Resources to establish a child care advisory committee for each of two categories: child care homes and child care centers. The committees are to provide to the division information, advice and assistance concerning implementation of child care regulations. Each committee must consist of members appointed by the director or the director's designee and to provide diversity in representing the types of child care that comprise the committee's category, including size, licensure status, accreditation status and geographic location in Indiana.

Second, the bill reestablishes the Committee on Child Care as recommended by the 2006 Interim Study Committee on Child Care. That committee replaced the Board for the Coordination of Child Care Regulation that expired in November 2006. The new committee will study the system of child care regulation and report and make recommendations that further the child care regulation purposes, including supporting families in need of reliable, high quality child care, promoting access to available and affordable child care by parents and encouraging the state to access all available federal funds for child care. The committee's program of study must include consideration of the effect of child care and child care regulation on families, encouragement of high quality child care, issues related to the child care workforce, including job satisfaction, compensation and turnover and a review of child care models, ensuring the safety of children, any need for reorganization and refocusing of governmental agencies responsible for regulation of child care and parental rights.

The membership of the committee is different from the 2005-2006 committee makeup. The committee chairperson will be appointed by the President Pro Tempore in even-numbered years and by the Speaker of the House in odd-numbered years. The committee membership will consist of the following:

- Two members of the House not of the same political party appointed by the Speaker.
- Two members of the Senate not of the same political party appointed by the President Pro Tempore.
- The Director of the Division of Family Resources or the director's designee.
- The Commissioner of the Department of Workforce Development or the commissioner's designee.
- The Secretary of Commerce or the secretary's designee.
- The State Fire Marshal or designee.
- The State Superintendent of Public Instruction or the superintendent's designee.
- The Commissioner of the State Department of Health or the commissioner's designee.
- One representative of a private business that employs less than 50 employees, appointed by the Senate President Pro Tempore.

- One representative of a private business that employs more than 100 employees, appointed by the Speaker of the House.
- One individual who is a child care advocate and who does not operate or administer a child care program, appointed by the President Pro Tempore.

SEA 328 VARIOUS CHILD SERVICES AND CUSTODY PROVISIONS

Author(s): LAWSON, SIPES, BREAU

Sponsor(s): WELCH, BELL

Citations Affected: IC 10-13-3-27.5; IC 10-13-3-39; IC 12-19-1-2; IC 29-3-2-1; IC 31-9-1-2; IC 31-9-2-03; IC 31-9-2-13; IC 31-9-2-16.5; IC 31-9-2-16.9; IC 31-9-2-26; IC 31-9-2-27; IC 31-9-2-38.5; IC 31-9-2-44.8; IC 31-9-2-53; IC 31-9-2-59.5; IC 31-9-2-64.5; IC 31-9-2-65; IC 31-9-2-80.8; IC 31-9-2-89; IC 31-9-2-90; IC 31-9-2-91; IC 31-9-2-92; IC 31-9-2-102.7; IC 31-9-2-106; IC 31-9-2-110; IC 31-9-2-119; IC 31-9-2-130.5; IC 31-9-2-135; IC 31-17-2-1; IC 31-17-5-10; IC 31-19-7-1; IC 31-18-8-1; IC 31-18-8-2; IC 31-18-8-5; IC 31-28-8-6; IC 31-18-8-7; IC 31-18-8-8; IC 31-19-11-1; IC 31-21.

SEA 328 makes changes to various child services and custody provisions, including a new requirement for national criminal history checks for individuals who supervise children, including pre-adoption placements, even if the child is not a ward of the court or the department or placed with certain relatives. A court may waive certain home study requirements otherwise required for an adoption if one of the petitioners is a stepparent or grandparent of the child, but the criminal history checks may not be waived. Additionally, domestic battery is added to the list of crimes requiring the denial of a foster family home license or the adoption of a child.

The legislation establishes a child protection index and permits a person or agency to obtain certain information contained in the index relating to an individual who has applied for employment or volunteered for services in a capacity that would place the individual in a position of trust with children. On July 1, 2007, certain reports and documents relating to child abuse or neglect cases contained in the child abuse registry or the automated child protection system will be transferred to the child protection index.

An initial hearing on a CHINS petition must be held within seven business days after the detention hearing. If an initial hearing on a CHINS petition is not held within seven business days of the detention hearing, the child is to be released. Courts are also required to consult with a CHINS regarding a proposed permanency plan for the child. If the child is at least 16 years of age and the proposed permanency plan for the child provides for the transition from foster care to independent living, the court must provide the child an opportunity to be heard in a permanency hearing.

The Department of Child Services is required to establish at least three citizen review panels including a community child protection team, a statewide or local child fatality review team and a foster care advisory panel. Additionally, the legislation moves the authority for appointing county directors for each county office of family and children from the Director of Family Resources to the Director of the Department of Child Services.

The legislation repealed provisions requiring the department to offer certain services to a family or a child following an investigation of a report of child abuse or neglect; authorizing voluntary services referral agreements between the department and persons accused of child abuse or neglect; and concerning the Uniform Child Custody Jurisdiction Law.

SEA 330 LEGAL SETTLEMENT OF FOSTER CHILDREN

Author(s): LAWSON, LUBBERS

Sponsor(s): SUMMERS, BELL

Citations Affected: IC 20-26-11-8; IC 20-26-11-11; IC 20-27-12-0.5; IC 20-43--4.1; IC 31-24-20-5; IC 31-27-19-26

SEA 330 creates legal settlement provisions for foster children allowing the students to attend school in either the school corporation in which the foster home is located or in the school corporation in which the student has legal settlement. *For more information, please refer to the section on Education.*

SEA 504 TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

Author(s): MILLER, SIPES, HOWARD

Sponsor(s): C. BROWN

Citations Affected: IC 3-7-15-2

SEA 504 will provide an opportunity for individuals convicted of drug-related felonies to receive assistance under the Temporary Assistance for Needy Families (TANF) program. Current Indiana law prohibits these individuals from receiving benefits for 10 years after a drug-related conviction.

According to the new law, individuals would be eligible for up to 12 months of TANF benefits only if they participate in substance abuse or mental health treatment. The new provision also requires that the individuals submit to drug testing at least once every two months.

SEA 504 also includes a number of other provisions, including:

- A requirement that TANF applicants must participate in employment and job opportunities and that applicants who refuse to participate may be sanctioned.
- A requirement that the Department of Corrections must assist an offender with applying for TANF.
- A specification of when a dependent child is eligible for TANF and the removal of the high school diploma or equivalency certificate requirement.
- A provision that makes certain TANF records confidential and not subject to disclosure.
- A requirement that FSSA study tax relief and financial or medical assistance programs available to residents with incomes below the federal poverty income level.
- A provision that cleans up language in Indiana code and changes all references to "Aid to Families with Dependent Children (AFDC) program" to "Temporary Assistance for Needy Families (TANF) program."

SEA 504 repeals the following:

- A provision requiring the diversion of a TANF grant to subsidize child care costs.

- A provision allowing for payment of care to be made directly to the person furnishing the care.
- Language regarding the amount of assistance available to a person who was previously eligible under AFDC.
- A provision allowing the county office to designate a responsible person to receive assistance for a dependent child if the person essential to the well-being of the child is not providing proper care or not capable of properly spending assistance.
- A provision allowing a person whose income would otherwise make the person ineligible for TANF to qualify for Medicaid assistance or transitional child care assistance under certain circumstances.
- A provision allowing for a lawful permanent resident to be eligible for assistance and transitional benefits for one year.
- Provisions requiring assistance certificates and certificate requirements.
- A chapter on change of residence for TANF recipients.
- A provision requiring that payments must be made monthly to recipients by warrant.

SEA 562 AUTHORIZATION PROCEDURES FOR DISINTERMENT

Author(s): MISHLER, SMITH

Sponsor(s): SUMMERS, FRIEND, KLINKER

Citations Affected: IC 23-14-41-4; IC 23-14-41-7; IC 23-14-47-3; IC 23-14-48-9;
IC 23-14-57-1; IC 23-14-57-5; IC 23-14-58-5; IC 30-2-9-7;
IC 30-2-10-9; IC 34-20-2-91.2; IC 34-30-2-91.3; IC 34-30-2-91.4

SEA 562 prohibits the removal of the remains of a deceased individual from a cemetery without written consent from certain individuals. Those individuals are prioritized as follows:

(1) The spouse at the time of the deceased's death. (2) A surviving adult child of the deceased. (3) A surviving parent of the deceased. (4) An individual in the next degree of kinship to the deceased under state laws governing interstate succession.

Current law requires the written consent of the deceased's spouse or in the case of a deceased minor child, the parents. The act also specifies that if more than one individual in the same class survives the deceased, the requirement for written consent is satisfied if any individual in the class consents to the proposed removal and the State Department of Health does not receive an objection to the removal from any other individual in the class.

The act also makes conforming changes to provisions allowing the required consent to be waived under certain circumstances. It eliminates provisions requiring the department to take certain actions before authorizing the removal of human remains and provides that a licensed funeral director or cemetery owner is not liable in an action brought by a person because of the removal of a deceased's remains unless the licensed funeral director or the cemetery owner had actual notice that a representation made in a required written consent was untrue. It specifies the order of need for a family burial plot and allows the living parents and children to terminate the status of a family burial plot.

In addition, it allows a cemetery to terminate the rights and interests of the owner of the burial space if the burial space has remained unused for a period of at least 50 years from the date of sale or last recorded designation or transfer and not had improvements on the burial space. Finally the act makes it a Class C felony if a person knowingly or intentionally uses funds in a perpetual care fund, endowment care fund or funeral trust for purposes other than the perpetual care fund, endowment fund or funeral trust was established.

HEA 1075 INDIVIDUAL DEVELOPMENT ACCOUNT (IDA) PROGRAM

Author(s): DAY, MURPHY, BARDON, V. SMITH

Sponsor(s): KENLEY, KRUSE

**Citations Affected: IC 4-4-28.5; IC 4-4-28-9; IC 4-4-28-10; IC 4-4-28-12;
 IC 4-4-28-16**

HEA 1075 will help more families save through the state's Individual Development Account (IDA) program. IDAs are matched savings accounts that help low income Indiana residents to learn basic accounting skills and save for the purchase of a home, post secondary education, job training, to start or expand a small business or to pay down the principal on the mortgage of a home as well as rehabilitate the home. Up to \$400 deposited in an individual account each year would be matched with state funds, \$100 more than currently allowed. The new provision would also allow for any amount of individual deposits above \$400 to be matched if funds are available during that fiscal year. The change would increase the maximum annual matching payment by the state from \$900 to \$2,400. Under current law, the state matches every \$1 of private savings deposited in the account with \$3 in state funds.

HEA 1220 ADULT PROTECTIVE SERVICES

Author(s): HOY, DICKINSON

Sponsor(s): MILLER

Citations Affected: IC 12-10-3-7

HEA 1220 changes the statute regarding adult protective services provided under the FSSA Division of Aging (DOA). Under the new law, the DOA is required to provide coverage for adult protective services and is permitted to contract with the local county prosecuting attorney or another prosecuting attorney to provide the services. Services provided by a prosecuting attorney who is providing services in another county under this section may include the investigation of matters related to the abuse, neglect or exploitation of an endangered adult. However, a prosecuting attorney who is providing services in another county under this section may not initiate any judicial proceeding (including seeking a temporary restraining order, an order for protection or a similar order from a court) in the other county.

HEA 1264 GUARDIAN AD LITEM/COURT APPOINTED SPECIAL ADVOCATE (GAL/CASA) PROGRAM

Author(s): AVERY, KLINKER, DAY, SUMMERS

Sponsor(s): DILLON, LANANE, BRODEN

Citations Affected: IC 33-24-6-5

HEA 1264 changes the formula used by the Division of State Court Administration to determine the amount of dollars granted to each county Guardian ad Litem/Court Appointed Special

Advocate (GAL/CASA) program. The new funding formula will use the number of Children in Need of Services (CHINS) cases in each county during the preceding calendar year as determined in reports filed by the division. This changes previous law which used the number of CHINS in each county during the preceding calendar year as determined by the Department of Child Services (DCS).

The state Office of GAL/CASA reports that there are differences between the number of CHINS reported by the DCS and Division reports. This occurs because the DCS reports on the number of CHINS while the Division reports on the number of potential CHINS. County GAL/CASA programs are required to provide services to children that fall into the latter category.

A child does not become a CHINS until after a CHINS petition is filed with the court. This petition may take up to 90 days after DCS involvement to be filed. All children that the DCS becomes involved with may not subsequently be identified as CHINS.

Counties are required to match each dollar granted from the state for the county GAL/CASA program. If counties are unable to match the total dollars provided by the state, counties receive only the amount for which they can provide a match .

HEA 1406 KINSHIP CAREGIVERS

Author(s): DICKINSON, SUMMERS, DUNCAN

Sponsor(s): LUBBERS, SIPES

Citations Affected: IC 31-9.2-72.5; IC 31-9.2-72.6; IC 31-25-2-20

HEA 1406 permits the establishment of Kinship Care Navigator Pilot Projects to assist kinship caregivers with understanding and navigating the system of services for children.

Implementation of the kinship care navigator pilot projects is contingent upon receipt of non-state or private funding for the projects. The legislation requires DCS to collaborate with nonprofit community-based agencies to develop a grant proposal for submission to potential funding sources for the purpose of establishing at least three pilot projects. At least one pilot project would be located in each of three regions - Northern Indiana, Central Indiana and Southern Indiana - with each project managed by a participating community-based agency.

The legislation also requires the DCS to report annually to the Legislative Council and the governor on the implementation of the Kinship Care Navigator Pilot Projects with recommendations on statewide implementation of the pilot projects beginning one year after implementation of the pilot projects.

HEA 1503 CHILD DEATHS AND CORONERS

Author(s): ORENTLICHER, SUMMERS

Sponsor(s): LAWSON, SIMPSON

**Citations Affected: IC 16-35-7; IC 16-37-1-9; IC 25-22.5-2-7; IC 31-33-24.9;
IC 31-33-24.7**

HEA 1503 creates new provisions in state law for the identification and investigation of suspicious deaths of children and other provisions related to coroners. Under the legislation, the Medical Licensing Board may now certify certain physicians as child death pathologists. The

board may approve an annual training program for pathologists concerning procedures for child death investigations. Additionally, the State Department of Health will adopt rules for hospitals and physicians to identify suspicious deaths of children.

Local Child Fatality Review Teams and the statewide Child Fatality Review Committee are entitled to records and notifications to assist with the investigation of suspicious child deaths. A coroner is required to notify a local team or the statewide committee of certain deaths of children and a possible SIDS death. A hospital, physician, coroner or mental health professional is required to provide certain records requested by these local teams or the statewide committee and the requested records are subject to laws concerning privileged communications of health care provider peer review committees. Data collected in an investigation by a local team or the statewide committee will also be provided to the coroner or pathologist who performed an autopsy.

The legislation provides that a pathologist appointed to a local or the Statewide Child Fatality Review Committee must be certified in forensic pathology.

Autopsy reports are to be provided to the parent or guardian of a child who died upon request. Autopsy reports provided to DCS, a local Child Fatality Review Team or the statewide Child Fatality Review Team are confidential.

The legislation also changes penalties for persons disrupting or hindering death investigations under certain circumstances. Knowingly or intentionally failing to notify a coroner or law enforcement agency of the discovery of the body of a person who died from violence or in an apparently suspicious, unusual or unnatural manner is changed from a Class B infraction to a Class A misdemeanor if it is done with intent to hinder a criminal investigation. A person who, with intent to hinder a criminal investigation and without the permission of a coroner or a law enforcement officer, knowingly or intentionally alters the scene of death of a person who has died from violence or in an apparently suspicious, unusual or unnatural manner commits a Class D felony.

Current law provides that it is a Class D felony if a person moves or transports the body. It is a Class B infraction for a person to knowingly or intentionally fail to notify a coroner or law enforcement agency of the discovery of the body of a child less than three years old who has died.

Other provisions related to coroner procedure allow a coroner to file a pending investigation certificate of death before completing the certificate of death, if necessary. Current law requires coroners to file certificates of death within 72 hours after the completion of the death investigation. Upon request, hospitals must provide to a coroner a blood or tissue sample of an individual who is admitted or was admitted to the hospital and on whom the coroner performs a death investigation.

The legislation repealed provisions allowing a coroner to issue a warrant for the arrest of an individual whom the coroner is charging with a felony and requiring a coroner or a coroner's representative to attend meetings of the Commission on Forensic Sciences when invited.

HEA 1509 LEASE PROTECTIONS FOR VICTIMS OF DOMESTIC VIOLENCE

Author(s): L. LAWSON

Sponsor(s): BECKER, LANANE

**Citations Affected: IC 32-31-2.9-2; IC 32-31-3; IC 32-31-4; IC 32-31-5 through 9;
IC 34-30-2-137.5**

HEA 1509 provides lease protections for victims of domestic violence. The act provides that a tenant who is a victim or an alleged victim of a crime involving domestic or family violence, a sex offense or stalking may have the locks of the tenant's dwelling unit changed at the tenant's expense and prohibits a landlord from terminating a lease, refusing to renew a lease, refusing to enter into a lease or retaliating against a tenant solely because the tenant, applicant or a member of their household has been granted a protective order. The act also provides that a tenant who is a victim or alleged victim is entitled to terminate the tenant's rights and obligations under the rental agreement under certain circumstances. The act finally provides such a tenant and the tenant's landlord immunity from civil liability in certain situations and for taking certain actions.

HEA 1726 INTERIM STUDY COMMITTEE ON MISSING CHILDREN

Author(s): DEMBOWSKI, WALORSKI, NOE

Sponsor(s): HEINOLD, SIPES

Citations Affected: Noncode

HEA 1726 establishes the Interim Study Committee on Missing Children to study issues related to the location and recovery of missing children, including the use of DNA profiles, fingerprints and technology to assist in the location of missing children.

HEA 1778 JUVENILE LAW AND CHILD CARE

Author(s): SUMMERS, TURNER, HINKLE

Sponsor(s): LUBBERS, DILLON, ROGERS

**Citations Affected: IC 12-7-2-28.6; IC 12-7-2-33.7; IC 12-7-2-33.8;
IC 12-17.2-3.5-1; IC 12-17.2-5-4; IC 12-17.2-5-32;
IC 17.2-6-14; IC 31-9-2-16; IC 31-9-2-31; IC 31-33-8-1**

HEA 1778 applies the law concerning CHINS to child care ministries, certain child care providers and certain individuals who have contact with children.

The legislation modifies current statute and expands the definition of custodian for purposes of CHINS from simply an employee or volunteer to include an owner, operator, director, manager or supervisor at a home, center or facility where child care is provided, including child care ministries. A child caregiver as well as a member of the household of the child's non-custodial parent would also be included in the new definition. A child caregiver is defined in the act as a person who provides care and supervision of a child at residence other than the child's home, is not required to be licensed as the operator of a child care home or a foster family home and receives more than \$2,000 in annual compensation for providing care and supervision of children. The act clarifies that a child who is at least 14 years of age and does not require child care services is not counted for purposes of the limit on the number of children who may be present in a child care home.

Prior law provided that a child care ministry must conduct criminal history checks for employees and volunteers. The legislation prohibits child care ministries from employing or allowing volunteers who have been convicted of a variety of violent felonies, a felony involving a weapon or controlled substances or a misdemeanor related to the health or safety of a child. A person against whom an allegation of child abuse or neglect has been substantiated would also be prohibited from employment or serving as a volunteer. A child care ministry is defined in Indiana Code as child care operated by a church or religious ministry that is a religious organization exempt from federal income taxation under Section 501 of the Internal Revenue Code.

The act allows FSSA to deny or revoke a child care license if a determination by DCS of child abuse or neglect by a member of the applicant's/licensee's household occurs. All members of the household would be subject to a criminal history check. The legislation also requires the DCS and the appropriate law enforcement agency to jointly investigate a report that alleges child abuse or neglect and involves a child care ministry.

Gaming

HEA 1510 CHARITY GAMING LICENSES

Author(s): VANHAAFTEN, WHETSTONE

Sponsor(s): RIEGSECKER, MERRITT, SIMPSON

Citations Affected: IC 4-30-9-5; IC 4-32.2-1-1; IC 4-32.2-1-3; IC 4-32.2-7;
IC 4-32.2-2-15; IC 4-32.2-2-18.5; IC 4-32.2-2-18.7;
IC 4-32.2-2-20.5; IC 4-32.2-2-21.5; IC 4-32.2-2-24;
IC 4-32.2-2-27.5; IC 4-32.2-2-30; IC 4-32.2-3-3;
IC 4-32.2-3-4; IC 4-32.2-3-5; IC 4-32.2-4-2.5;
IC 4-32.2-4.3; IC 32.2-4-5; IC 4-32.2-4-7.5; IC 4-32.2-4-9
through 14; IC 4-32.2-4-16; IC 4-32.2-4-16.5; IC 4-32.2-4-18;
IC 32.2-5-3; IC 4-32.2-5-5; IC 4-32.2-5-6; IC 4-32.2-5-8;
IC 4-32.2-5-12; IC 4-32.2-5-16; IC 4-32.2-5-22; IC 4-32.2-6-3;
IC 4-32.2-7-1; IC 4-32.2-7-6; IC 4-32.27-8-1; IC 4-32.2-9-2;
IC 4-32.2- 9-3; IC 4-32.2-9-6.

HB 1510 makes numerous changes to the laws concerning charity gaming licenses and the participants in charity gaming.

- It authorizes the gaming commission to issue an annual license permitting a qualified organization to sell pull tabs, punch boards and tip boards at any time on the premises owned or leased by the qualified organization and regularly used for the activities of the qualified organization and authorizes an annual charity game night license.
- “Qualified organization” means (1) a bona fide religious, educational, senior citizens, veterans or civic organization in Indiana that operates as a not for profit organization, is exempt from federal taxes under section 501 of Internal Revenue Code and has been in continuous existence in Indiana for at least 5 years; (2) a bona fide political organization operating in Indiana that produces exempt function income; (3) a pre-elementary childhood development program; or (4) a state educational institution It specifies the conditions for conducting raffles and door prize drawings applicable to a candidate's committee.
- It makes certain changes concerning manufacturers and distributors of charity gaming supplies.
- It permits certain rent expenses to be deducted from gross revenues for purposes of calculating fees for renewing charity gaming licenses.
- It establishes the License Control and Gaming Control Divisions within the Gaming Commission.
- It initially authorizes the employment of 16 gaming control officers and authorizes the revocation of a lottery retailer's contract with the Lottery Commission, a charity gaming license, a retail merchant's certificate, a tobacco sales certificate or an alcoholic beverage permit for violations of certain criminal gaming statutes. It also provides that a second unrelated conviction for professional gambling, maintaining a professional gambling site or promoting professional gambling is a Class C felony rather than a Class D felony.
- It authorizes the possession of an antique slot machine that is used for decorative, historic or nostalgic purposes.

It makes possessing an electronic gaming device a Class A infraction and provides that knowingly or intentionally accepting or offering to accept, for profit, money or other property risked in gambling on an electronic gaming device maintained by the person is maintaining a professional gambling site is a Class D felony.

HEA 1835 RACE TRACKS

Author(s): VAN HAAFTEN, WHETSTONE

Sponsor(s): JACKMAN, LANANE

**Citations Affected: IC 4-22; IC 4-31; IC 4-33; IC 4-35; IC 6-3; IC 6-8.1;
IC 7.1-3; IC 7.1-5; IC 35-45; Noncode**

HB 1835 authorizes slot machines at the state's two pari-mutuel horse racing tracks in Anderson and Shelbyville. The act contains a number of provisions governing the licensure, fees and specifics of what is allowed as well as other regulations for the tracks and riverboats. These provisions include:

Slots at the tracks

- Authorizes the two horse tracks to install 2,000 slot machines at their facilities.
- Imposes an initial licensing fee of \$250M on each track payable in two installments. The first installment of \$150M is due by November 1, 2007 and the second installment of \$100M is due by November 1, 2008. These fees are deposited into the property tax reduction trust fund and will almost totally fund the additional homestead credits provided for property tax relief in 2007 and 2008.
- Limits a permit holder who offers slot machines to the number of satellite facility licenses issued to the permit holder before January 1, 2007 and reduces the minimum required seating capacity from 400 to 200.
- Provides that the horse racing commission shall require at least 140 but not more than 165 live racing days at each racetrack.
- Provides that a permit holder may not conduct more than 14 races on a racing day.
- Specifies certain powers and duties of the commission for the purpose of administering, regulating and enforcing the system of slot machine gambling at racetracks.
- Provides that a license is null and void if the licensee fails to obtain and maintain a horse racing permit and satisfy the racing requirements of the horse racing law.
- Requires a licensee to devote an amount equal to the lesser of 15 percent of the adjusted gross receipts from slot machine wagering or \$85 million plus inflation in each fiscal year to horse racing purses and certain other purposes.
- Allows a slot machine facility to be licensed under the alcoholic beverage laws under the same conditions as a riverboat.
- Provides that the commission shall establish goals for permit holders concerning contracts for goods and services with minority business enterprises and women's business enterprises and requires these goals to be equal to goals set by the commission for riverboat gaming licensees.
- Prohibits local development agreements between the permit holders who operate slot machine facilities and political subdivisions.

Riverboats

- Specifies the five counties in which a riverboat is currently operating as the Ohio River counties for which a riverboat owner's license may be issued.

- Provides that a person holding a riverboat owner's license may not move the person's riverboat from the county in which the riverboat was docked on January 1, 2007.
- Changes admissions tax structure so that the Gaming Commission can determine when a passenger is admitted to the boat. This has become a problem because customers will enter and exit several times in one evening and the boat pays taxes on each entrance now.

Horsemen's associations

- The act states that money distributed to a horsemen's association may not be expended unless the expenditure is for the purposes specified in statute and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana.
- The act requires a horsemen's association to annually file a report with the Indiana Horse Racing Commission concerning the use of the money and requires an association to register with the Indiana Horse Racing Commission.

Fees and taxes

- The initial licensing fee is good for five years, after which there is an annual licensing fee of \$100 per slot machine. The licensee is prohibited from transferring the license for five years and after five years, the state will impose a \$50 million transfer fee.
- A graduated wagering tax is imposed on adjusted gross receipts from the slots in the following amounts: 25% on the 1st \$100M; 30% on amounts over \$100M and up to \$200M; and 35% on amounts over \$200M.
- A 3% county slot machine wagering fee is also imposed.
- There is an annual gaming integrity fee in the amount of \$250,000 to be paid to the commission to be used to pay the cost of analyzing equine specimens under IC 4-31-12-6(b), to pay dues to the Drug Testing Standards and Practices Committee of the Association of Racing Commissioners International and to provide grants for research for the advancement of equine drug testing.
- An additional \$250,000 in set aside money is to be paid each year into the Gaming Integrity Fund.
- There is an annual problem gambling fee in the amount of \$500,000 to be paid to the Department of Health Division of Mental Health and Addiction for the prevention and treatment of problem gambling as it relates to slot machines and other gambling allowed by state law. *For more information, please refer to the section on Taxes.*

Health

SEA 5 NURSING FACILITY QUALITY ASSESSMENT FEE (QAF)

Author(s): MILLER, SIPES

Sponsor(s): C. BROWN, T. BROWN

Citations Affected: Noncode

SEA 5 extends collection of the nursing facility quality assessment fee (QAF) until August 1, 2009. Current law has the QAF expiring on August 1, 2007 and requires that 80 percent of QAF collected (about \$82 million) must be used to leverage federal Medicaid matching funds to increase nursing facility reimbursement targeting specific uses. The extension of QAF is estimated to result in total additional payments to nursing facilities of approximately \$215.8 million. Should federal financial participation become available to provide for additional reimbursement, current law provides that OMPP will cease to collect the QAF. The remaining 20 percent of the estimated QAF (\$20.5 million) must be used to offset Medicaid costs incurred by the state.

SEA 10 SCOLIOSIS DATA

Author(s): MILLER, SIMPSON

Sponsor(s): WELCH, KLINKER

Citations Affected: IC 20-34-3-16

SEA 10 repeals a provision that requires each public school student in 5th, 7th, and 9th grades to be tested for postural defects. Currently, the Indiana State Department of Health (ISDH) only maintains the state form that schools use to submit scoliosis data. ISDH no longer collects school scoliosis data and does not aggregate data into reports. While testing is currently mandated in 26 states, only about two out of every 1000 cases become serious enough to require treatment, the testing process is ineffective and leads to many unnecessary referrals to physicians.

SEA 94 INDIVIDUALS WITH DIABILITIES

Author(s): LANDSKE, KENLEY, BRODEN

Sponsor(s): VANHAAFTEN

Citations Affected: Numerous provisions throughout the Indiana Code

SEA 94 changes terms throughout the entire Indiana Code used to describe individuals with disabilities. This “people first” language was endorsed by the Arc of Indiana and was prepared by the Code Revision Commission.

SEA 114 HEALTH PROVIDER REIMBURSEMENT AGREEMENTS

Author(s): GARD, ERRINGTON, LANANE

Sponsor(s): VANHAAFTEN, RIPLEY

Citations Affected: IC 27-13; IC 28-8; NONCODE

SEA 114 prohibits provisions in health provider reimbursement agreements called “most-favored nation” clauses that give large health insurers negotiating power with hospitals and physicians. The agreements require health-care providers to give certain insurers the lowest reimbursement rate. *For more information, please refer to the section on Insurance.*

SEA 150 MENTAL HEALTH QUALITY ADVISORY COMMITTEE**Author(s): C. LAWSON, SIMPSON****Sponsor(s): C. BROWN****Citations Affected: IC 12-15; Noncode**

SEA 150 extends the expiration date for the Mental Health Quality Advisory Committee from July 1, 2007 to July 1, 2009. This committee advises the Office of Medicaid Policy and Planning (OMPP) and makes recommendations concerning the implementation of restrictions on mental health drugs for the purposes of preventing fraud, abuse or waste; preventing over-utilization, inappropriate utilization or inappropriate prescription practices; or implementing a disease management program. To make these decisions, the board considers peer reviewed medical literature, observational studies, health economic studies and input from physicians and patients. This measure was strongly supported by the Mental Health Association of Indiana.

SEA 193 COMPREHENSIVE CARE BEDS**Author(s): MILLER, ROGERS****Sponsor(s): C. BROWN, T. BROWN****Citations Affected: Noncode**

SEA 193 extends the moratorium on new comprehensive care beds until March 30, 2008. The act also prohibits the Indiana Health Facilities Council from certifying additional new or converted, but not replacement, comprehensive care beds for participation in the Medicaid reimbursement program through June 30, 2008. The act would exempt the construction or conversions of comprehensive care beds that are intended to replace existing certified comprehensive care beds. This act would exempt hospitals, continuing care retirement communities, facilities constructing a total of not more than 20 comprehensive care beds that will provide an innovative and unique approach to the delivery of comprehensive care and health facilities under development on June 30, 2006 from the comprehensive care bed moratorium. The act would also prohibit the conversion of a licensed health facility to a continuing care retirement community during the comprehensive care bed moratorium.

The act also requires the Health Finance Commission to study three topics during the 2007 interim session. These include whether hospitals, including specialty hospitals, should be placed under a moratorium from adding or constructing new facilities, whether specialty hospitals should be restricted from presenting their facilities to the public as a hospital and whether the statutory definition of the term hospital should include or exclude certain specialty health facilities.

SEA 208 PRIOR APPROVAL TO NURSING HOME**Author(s): DILLON****Sponsor(s): C. BROWN, FRIZZELL****Citations Affected: IC 12-10**

SEA 208 provides that a Medicaid-eligible person being discharged from a hospital to a nursing facility may be required to have prior approval from OMPP before being admitted to the nursing facility after June 30, 2008. Prior approval may be required in addition to the currently required

participation in the nursing facility Pre-Admission Screening program. OMPP is authorized to promulgate rules to implement this provision. This act could result in cost savings for the state and improved quality of life for individuals diverted from avoidable nursing facility admissions.

OMPP has estimated that 10 percent of individuals who might otherwise be admitted to nursing facilities directly from a hospital could be diverted to home and community-based services by requiring prior approval. OMPP estimated that if 81 individuals can be diverted, approximately \$3.3 million of total nursing facility cost (\$1.2 million state share) could be avoided in the Medicaid program. This estimate does not include the offsetting cost of home-care waiver services that would be provided for diverted individuals. However, by definition, waiver services may cost no more in the aggregate than the placements in nursing facilities.

The Medicaid program is jointly funded by the state and federal governments. The state share of program expenditures is approximately 38 percent. Medicaid medical services are matched by the federal matching rate in Indiana at approximately 62 percent. Administrative expenditures with certain exceptions are matched at the federal rate of 50 percent.

SEA 316 DEFINITION OF KNOWING

Author(s): MILLER, SIPES

Sponsor(s): C. BROWN, T. BROWN, WELCH

Citations Affected: IC 5-11; IC 12-7

SEA 316 defines various forms of the word “know” for purposes of the False Claims Act (HEA 1501-2005) and for statutes regarding improper Medicaid payments. This act is intended to bring the state into compliance with the federal Deficit Reduction Act of 2006. State statutes compliant with the federal requirements qualify the states to retain an additional 10 percent of any federal Medicaid money collected. If the statute is compliant, the state would return approximately 52 percent instead of 62 percent of any recovery filed under the false claims statute.

SEA 327 IMMUNIZATION FOR SCHOOL AGE GIRLS

Author(s): C. LAWSON, SIMPSON, BECKER

Sponsor(s): MAYS, DUNCAN

Citations Affected: IC 20-34

SEA 327 requires schools to provide information to each parent of a female child entering 6th grade concerning the link between cervical cancer and the human papilloma virus (HPV) and of the availability of an immunization. Schools must collect written statements from the parents indicating whether or not the child has received or will receive the immunization or chooses not to provide the information, and file a written report with the ISDH stating the number of female students who have or will receive the immunization, the number of female students who will not receive the immunization and the number of students for which no information was provided. The information that schools are to distribute regarding cervical cancer and HPV will be provided by the ISDH. The act prohibits a student from being denied from enrolling, attending or graduating from school for not providing the written statement to the school.

The first vaccine to protect against HPV infection – Gardasil – was licensed by the Food and Drug Administration in June 2006. This vaccine protects against infection from the four strains

of HPV that cause 70 percent of cervical cancer cases and 90 percent of cases of genital warts. Gardasil is currently licensed for use in females 9-26 years of age. Although studies are being done on the use of this vaccine in males, it is not yet licensed for males. A second HPV vaccine may be licensed in the future to provide protection against two strains of HPV that cause most cervical cancer.

The vaccine is most effective when it is given before the onset of sexual activity and the immune response to the vaccine is strongest at the youngest ages.

The Advisory Committee on Immunization Practices (ACIP) recommends HPV vaccine for: Routine vaccination for 11-12 year old girls; Catch-up vaccination for 13-26 year old females; Girls age 9-10 years may receive the vaccine at provider discretion. It is not yet known how long (how many years) protection from the vaccine will last.

The vaccine will not replace cervical cancer screening (pap tests). Even with extensive vaccine coverage, cervical cancer screening must continue because about 30 percent of cervical cancers are caused by viruses not covered by the current vaccine.

SEA 333 HEALTH FACILITY ADMINISTRATORS CLASS OF LICENSE

Author(s): RIEGSECKER

Sponsor(s): C. BROWN, T. BROWN

Citations Affected: IC 25-19

SEA 333 requires the Indiana State Board of Health Facility Administrators to adopt rules establishing separate education, experience and training requirements for licensure as a comprehensive health facility administrator and residential health facility administrator and requires each administrator to be licensed as such.

The Indiana Health Facilities Council has promulgated rules classifying health facilities into comprehensive health facilities and residential health facilities. No national federal requirements exist for assisted living; instead, states have to determine those requirements. Previously, only residential care administrators were addressed in code, with residential care being regulated by the ISDH. As of June 2006, there were 1,165 health facility administrators with active licenses in Indiana. The cost for an initial application is \$100 and the biennial renewal cost of a license is \$100.

SEA 450 MORATORIUM AND REPORT OPIOID TREATMENT PROGRAMS

Author(s): SIPES, MILLER

Sponsor(s): STEMLER, T. BROWN

Citations Affected: IC 12-23; Noncode

SEA 450 places a moratorium on new opioid treatment programs until December 31, 2008. The act requires the ISDH Division of Mental Health and Addiction to prepare a study that will compare other states' regulations of methadone clinics with Indiana regulations, address concerns that have been raised concerning Indiana's regulation of methadone clinics and prepare a report to be submitted to the Health Finance Commission and the General Assembly before July 1,

2007. The act also requires the Health Finance Commission to study the adequacy of Indiana's methadone clinic regulations during the 2007 interim.

SEA 489 RURAL HEALTH CARE PILOT PROGRAM SUPPORT FUND

Author(s): FORD, MILLER

Sponsor(s): WELCH, KOCH

Citations Affected: IC 16-18; IC 16-45

SEA 489 establishes the Rural Health Care Pilot Program Support Fund, administered by the Office of Technology, to award grants to health care providers who participate in a Rural Health Care Pilot Program to make the local match required as a condition of the provider's participation in the pilot program. The money in the fund will consist of money appropriated, designated or dedicated by the General Assembly and gifts, grants and bequests. It will not revert to the state General Fund.

No data is available to indicate if any Indiana rural health care providers are participating in this Federal Communication Commission (FCC) program aimed at helping public and non-profit health care providers build state and regional broadband networks. This network works on Internet2, which is a dedicated nationwide backbone connecting government research, academic and public and private health care institutions. The program provides up to 85 percent of the construction costs of a dedicated health care network and up to 85 percent of the costs of connecting to the nationwide Internet2. The Internet2 connection is not required, but may be requested by applicants.

SEA 503 DISPROPORTIONATE SHARE HOSPITAL AND HEALTH

Author(s): MILLER, SIMPSON, BECKER

Sponsor(s): C. BROWN, T. BROWN, FRY

**Citations Affected: IC 4-22; IC 5-10; IC 6-3.1; IC 12-7; IC 12-15; IC 12-16;
IC 12-17.6; IC 16-18; IC 16-41; IC 16-45; IC 20-26;
IC 27-8; IC 27-13; Noncode**

SEA 503 requires the Department of Insurance and the Office of the Secretary of FSSA to study and make final recommendations to the Legislative Council no later than November 1, 2008 regarding a plan to provide health insurance to individuals who are uninsured and who have incomes above 200 percent of the federal poverty level. The Secretary of FSSA is also required to separately study and make a recommendation to the Legislative Council by November 1, 2008 regarding the viability of keeping family members eligible for Medicaid, the Children's Health Insurance Plan (CHIP) or other state health care assistance together under the same health care plan.

The act also requires the Health Finance Commission to study the effectiveness of the Indiana Tobacco Use Prevention and Cessation Program and whether the program should be transferred to ISDH.

The act makes several changes to funding mechanisms for indigent and uncompensated care. It freezes hospital payments under the Hospital Care for the Indigent (HCI) program at fiscal year 2007 levels. It would also allow hospitals to once again discontinue submitting claims for the

HCI program to OMPP for processing. Hospitals were required to resume submitting claims for purposes of calculating the county property tax levy requirements in fiscal year 2004. The act provides that HCI physician and emergency transportation claims would continue to be submitted, processed and reimbursed for services up to a maximum amount of \$3 million per year. The act specifies that the remainder of the HCI funds after the \$3 million for physicians and transportation services, the \$30 million transfer to Medicaid and the program administration costs are to be transferred to the Medicaid Indigent Care Trust Fund to be used to make supplemental hospital payments under the HCI privately-owned hospital upper payment level (UPL) program and other supplemental payment programs.

OMPP is authorized to transfer \$30 million annually from the Medicaid Indigent Care Trust Fund to the Medicaid program. The act specifies a methodology for privately-owned hospital supplemental payment levels for fiscal 2006 and fiscal year 2007. The total private hospital supplemental UPL payments for fiscal 2007 and thereafter are to be capped at the fiscal year 2007 level. After fiscal year 2007, the act gives OMPP the flexibility to make Medicaid supplemental hospital payments and disproportionate share hospital (DSH) payments in the manner that best utilizes the available non-federal share of the funding. OMPP is required to apply to the U.S. Department of Health and Human Services for approval of an amendment to the state's upper payment limit program and to make changes to the state's DSH program.

SEA 551 INDIANA HEALTH INFORMATICS CORPORATION (IHIC)

Author(s): DILLON, FORD

Sponsor(s): AUSTIN, MURPHY

Citations Affected: IC 4-22; IC 5-31

SEA 551 provides an infrastructure to organize and standardize informatics systems used by different health organizations to increase efficiency and reduce confusion and delay. The act establishes the Indiana Health Informatics Corporation (IHIC) to encourage and facilitate the development of health informatics functions in Indiana and establishes that the IHIC Board is to govern the corporation. The IHIC is charged with the following responsibilities: encouraging and facilitating the development of a statewide health information exchange system, encouraging and facilitating users of the statewide health information exchange system and other interested parties in developing and adopting standards, developing programs and initiatives to promote and advance the exchange of health information, recommending policies and legislation that advance the development and efficient operation of the statewide health information exchange system and reporting on Indiana's progress toward implementing the statewide health information exchange system. The act requires the IHIC's plan to create the statewide health information exchange system to provide for procedures and security policies to ensure compliance with the federal Health Insurance Portability and Accountability Act (HIPAA), protection of information privacy and the use of information in the system only in accordance with HIPAA and as required by public health agencies. The act then abolishes the IHIC on June 30, 2015.

HEA 1116 CARDIOPULMONARY RESUSCITATION (CPR)**Author(s): CHEATAM, KLINKER, DERMODY****Sponsor(s): LANDSKE, ROGERS****Citations Affected: IC 9-21; IC 20-28; IC 20-34; IC 34-6; IC 34-33; IC 34-30**

HEA 1116 requires an individual to have training in cardiopulmonary resuscitation (CPR), removing obstructions to a person's airway and the Heimlich maneuver before obtaining an initial license as a teacher. *For more information, please refer to the section on Education.*

HEA 1241 PHYSICIAN ASSISTANT (PA)**Author(s): WELCH, T. BROWN, C. BROWN, RESKE****Sponsor(s): MILLER, SIMPSON, BECKER****Citations Affected: IC 16-27; IC 16-42; IC 25-22.5; IC 25-27.5; Noncode**

HEA 1241 authorizes a physician to delegate to a physician assistant (PA) duties that are within the supervising physician's scope of practice, including prescribing and dispensing certain drugs and medical devices. The act requires that a supervising physician must be either physically present at the location where services are performed by the PA or immediately available for consultation in the county or a contiguous county of the location where the services are being rendered or at a hospital or health facility. The supervisory agreement between the physician and the PA must include certain information and be approved by the medical licensing board.

The act also gives physician assistants some prescribing authority and changes the requirements for PAs from certification to licensure. According to the American Academy of Physician Assistants, Indiana is the only state that does not authorize PAs to prescribe.

HEA 1242 MEDICAID DISEASE MANAGEMENT PROGRAM**Author(s): MAYS, C. BROWN, V. SMITH, T. HARRIS****Sponsor(s): MILLER****Citations Affected: IC 12-15**

HEA 1242 requires the Medicaid Disease Management Program for Medicaid recipients with diabetes or hypertension to include education on kidney disease and the benefits of being evaluated for kidney disease.

Recipients who choose to participate in the Disease Management Program receive educational counseling and materials regarding their conditions and the importance of controlling their chronic condition through personal actions such as controlling blood sugar, stopping smoking, exercising or losing weight. Recipients are also counseled regarding what should be checked at each doctor visit and testing that should be done annually and why. Annual kidney function testing is recommended specifically in the diabetes educational information published on the Disease Management Program website and provided to participants.

HEA 1348 MEDICAID**Author(s): WELCH, KOCH, BATTLES, TURNER****Sponsor(s): C. LAWSON, ERRINGTON****Citations Affected: Noncode**

HEA 1348 requires OMPP to apply to the federal government for authorization to reimburse a health care provider under Medicaid for the collection of cord blood from a pregnant Medicaid recipient upon the birth of a newborn. The reimbursement must be paid from appropriations made to FSSA or private funds. The act requires the ISDH and FSSA to orally report to the Health Finance Commission before November 1, 2007, on the progress in developing this program.

Like donated bone marrow, umbilical cord blood can be used to treat various genetic disorders that affect the blood and immune system, leukemia and certain cancers and some inherited disorders of body chemistry. To date, more than 45 disorders can be treated with stem cells from umbilical cord blood.

HEA 1376 DENTAL HYGIENIST**Author(s): MAYS, WELCH, C. BROWN****Sponsor(s): BECKER, BREAU, MILLER****Citations Affected: IC 16-20; IC 16-22; IC 25-13; IC 25-14**

HEA 1376 allows a dental hygienist employed by a local health department or the Health and Hospital Corporation in Marion County to furnish dental services to the insured and uninsured residents of the county. After a dentist examines a child in any grade up to 12 and writes out a treatment plan for the child, a licensed dental hygienist may, without supervision of a dentist, provide treatment for prophylaxis (dental prophylaxis consists of removing plaque and cleaning the teeth to prevent cavities and gum disease), fluoride application and sealants. The treatment must be completed within 90 days after the treatment plan is prescribed. This provision will exist until June 30, 2009. The act also allows a dental hygiene student to administer dental anesthetics during an educational course on the practice of dental anesthetics if the course is supervised by a dentist and conducted at an approved school.

HEA 1391 SURGICAL TECHNOLOGIST**Author(s): RESKE, T. BROWN, FRIZZELL****Sponsor(s): MILLER****Citations Affected: IC 25-36.1**

HEA 1391 provides that an individual may not profess to be a certified surgical technologist unless the individual holds and maintains the Certified Surgical Technologist Credential administered by the National Board of Surgical Technology and Surgical Assisting.

HEA 1457 BIRTH PROBLEMS REGISTRY**Author(s): KLINKER, WALORSKI, THOMPSON, DAY****Sponsor(s): C. LAWSON, ROGERS, SIPES, MILLER, ERRINGTON****Citations Affected: IC 16-18; IC 16-38; IC 16-41; IC 25-1**

HEA 1457 will continue the legislative authorization for the Birth Problems Registry, which otherwise would have expired on June 30, 2007. The registry records reports of all birth problems diagnosed before the age of three years in a child residing in Indiana. The reporting requirement is extended to the child's fifth birthday if the diagnosis is for a pervasive developmental disorder or a fetal alcohol spectrum disorder. The registry is funded by the Birth Problems Registry Fee of \$2 for each search of the vital statistics records for a birth certificate.

The act establishes the 15-member Prenatal Substance Abuse Commission to develop a plan to improve early intervention and treatment for pregnant women who abuse alcohol or drugs or use tobacco. Roughly 20 percent of Indiana babies are born with drugs, alcohol or tobacco in their systems. The Commission is to submit an interim report no later than August 15, 2008 to the Legislative Council and the governor. The final report of the Commission is due August 15, 2009.

The act also requires the ISDH to issue registrations and maintain a registry for out-of-state mobile health care entities and requires out-of-state mobile health care entities to register with the state department before doing business in Indiana.

HEA 1468 PHARMACISTS AND IMMUNIZATIONS**Author(s): WELCH, FRIZZELL****Sponsor(s): BECKER, SIMPSON****Citations Affected: IC 25-26; NONCODE**

HEA 1468 allows a physician to delegate a pharmacist to administer immunizations under a drug order or prescription. This act would clarify that the scope of practice for pharmacists includes the administration of immunizations by pharmacists under a physician's drug order or prescription, for influenza immunizations under a drug order or prescription or according to a protocol approved by a physician. If a protocol for influenza immunizations is approved, it must specify the group of individuals to whom the immunization may be given and the physician who writes the protocol must be licensed in Indiana and may not be employed by a pharmacy.

The act requires the ISDH to consult with health care providers in evaluating the immunization data registry system and determine ways to make the registry easier for health care providers to report to and use and report to the Health Finance Commission.

The act specifies that a pharmacist may not be required to administer an immunization or complete training if the pharmacist chooses not to administer any immunizations.

The act requires the Board of Pharmacy to promulgate rules regarding training requirements for the administration of immunizations and record-keeping and reporting responsibilities.

According to the American Pharmacists Association, 36 states are reported to have pharmacists that actively administer immunizations. Several states have limited the administration of immunizations by pharmacists to the adult population and require certain training and record-keeping and reporting requirements for this activity.

The American Pharmacists Association offers an immunization training program for pharmacists in accordance with Centers for Disease Control and Prevention standards.

HEA 1633 DEATH CERTIFICATES

Author(s): WOLKINS, WELCH, BUCK

Sponsor(s): MISHLER

Citations Affected: IC 16-37

HEA 1633 requires a local health officer to provide certain persons with a certification of death that excludes information on the cause of death if the person requests the information to be excluded from the certification. Under current law, the local health officer is required to make a permanent record of death certificates, including: name, sex, age, place of death, residence, residence addresses during the two years before the death and Social Security number. The Social Security number is the only portion that is not public record. These provisions would remain. Death certificates that exclude the cause of death shall be issued if the health officer determines that the applicant has a direct interest in the matter and that the certificate is necessary for the determination of personal or property rights or in accordance with federal law.

HEA 1663 HEALTH AND HOSPITAL CORPORATION

Author(s): BUELL, DAY

Sponsor(s): MILLER, BREAU

Citations Affected: IC 5-10; IC 12-7; IC 16-22; IC 36-1; IC 36-7

HEA 1663 contains a number of provisions regarding the Health and Hospital Corporation of Marion County and group health insurance as well as miscellaneous provisions regarding property and unsafe building orders. These include:

- Adding municipal corporations as local units for purposes of providing group health insurance for public employees, as well as hospitals and the Health and Hospital Corporation of Marion County as facilities for purposes of voluntary and involuntary treatment of mentally ill individuals. Under current law, cities, towns, counties, townships, public libraries and school corporations may participate in group health plans for public employees. These are voluntary plans, except for retiree health care, with specific requirements for a unit that offers a health insurance plan. The entity may purchase policies of group insurance, self-insure or may participate in plans of local units that provide state employee health plans. Under the act, municipal corporations (including, in addition to the list above, fire protection districts, public transportation corporations, local hospital authorities or corporations, local airport authority districts, special service districts or other separate local governmental entities that may sue and be sued, but not special taxing districts) would be able to participate in group health plans for public employees.

- Allowing the Health and Hospital Corporation of Marion County to bring civil actions concerning unsafe buildings and to enforce actions concerning infractions.
- Specifying actions a court may take when a municipal corporation brings certain civil actions. It authorizes the Health and Hospital Corporation of Marion County to: use levied taxes or other funds to make intergovernmental transfers to the state to fund governmental health care programs; condemn property; and issue bonds to procure funds to pay costs of acquiring property and improving property for use as a hospital, a health care facility or an administrative facility. The act would specifically allow the corporation to use levied taxes or other funds to make intergovernmental transfers to the state to fund governmental health care programs, including, but not limited to, Medicaid and Medicaid supplemental programs. This provision reflects current practice. The act could increase costs for the Board of the Health and Hospital Corporation of Marion County by adding to existing duties regulating the remediation of lead hazards and by adding authority to improve, remodel or repair corporation buildings.
- Requiring bonds to be issued by a resolution of the Board of the Health and Hospital Corporation of Marion County and that the bonds to be executed by the executive director in the name of the Health and Hospital Corporation of Marion County. The act repeals a provision that requires the Board of the Health and Hospital Corporation of Marion County to provide an integrated administrative organization.
- Excluding certain hospitals and the Health and Hospital Corporation of Marion County from leasing and lease purchase laws.
- Amending notice requirements for unsafe building orders. If an owners of property or persons purchasing with intent to lease property does not contest or have exhausted all administrative and legal steps to contest an order, they would be required to submit in writing their name, non-post office box address and phone number to local building law enforcement. Persons required to submit the above information would have to be under the following unsafe building orders: sealing off, extermination of vermin, removal of trash and hazards or repair and rehabilitation of the premises. It also provides that if an unsafe building order is issued to a person regarding a premises that is owned by the person or is being purchased by the person under a contract and leased to another person, the person must provide to the department administering the unsafe building law the person's name, street address (excluding a post office box address) and phone number. Under current law these notices and statements may be given by sending a copy of the order or statement by certified mail, delivering a copy of the order or statement personally or by leaving a copy of the order or statement at the dwelling or abode of the person. The act also allows orders or statements to be sent by first-class mail, which has less cost than other methods. However, the act also specifies that the order or statement must first be sent by certified mail and if the item is returned undelivered, the other methods may be used.
- Providing that if the mailing address on a conveyance of real property is not a street address or rural route address of the grantee, the conveyance must also include a street address or rural route address of the grantee after the mailing address. It also provides that a conveyance may not be recorded after June 30, 2007, unless the conveyance meets this requirement.
- Increasing the maximum amount of a lien against property that is superior to all other non-tax liens for the cost of bringing the property into compliance with an ordinance.

HEA 1678 STUDY OF HOSPITALS - INDIANA CHECK-UP PLAN

Author(s): C. BROWN

Sponsor(s): MILLER, SIMPSON, DILLON, ROGERS

Citations Affected: Noncode

HEA 1678 creates several programs and new eligibility requirements to aid many of the more than 800,000 Hoosiers who are uninsured at some point during the year. The act creates the **Indiana Check-Up Plan** to assist uninsured Hoosiers. Highlights include:

- Enhanced eligibility of uninsured, non-disabled parents of Medicaid/CHIP children from 22 percent to 200 percent of the Federal Poverty Level (FPL); this CHIP expansion could cover as many as 39,000 Hoosiers.
- Enhanced eligibility of pregnant women on Medicaid from 150 percent (\$19,800 for a family of two) of the FPL to 200 percent FPL (\$26,400 for a family of two), which could cover as many as 17,000 additional Hoosiers.
- Enrollment of childless adults under 200 percent FPL, subject to approval of federal financial participation.
- The cost of the program is \$4,330 per individual; participation is dependent upon the funds available for the plan.
- Individuals must not be eligible for health insurance coverage through their employer to qualify and must not have had health coverage for 6 months.
- Benefits of the plan include:
 - Preventive services of up to \$500 per year at no cost to the participant.
 - A POWER Account (similar to a Health Savings Account) valued at \$1100 per adult to pay for initial medical costs; contributions are made by the state and by each participant based on a sliding scale between 2-5 percent of an individual's income; an employer may also contribute.
 - A commercial benefits package is provided after annual medical costs exceed \$1100, with services to include hospice, preventive services, inpatient hospital, prescription drugs, emergency room, physician office visits, diagnostic services, outpatient services including therapy, home health services, urgent care center services, substance abuse services, family planning, mental health (at parity) and case and disease management
 - Vision (including optometric services) and dental coverage can be purchased; individuals will pay an extra five percent of gross family income for these services
 - No co-pay or co-insurance is required beyond the required individual contribution except for a co-pay for inappropriate use of emergency room services (subject to appeal)
 - Any individual below 200 percent FLP that qualifies for the program but is not eligible because the plan has reached maximum enrollment may buy in to the program at the state rate, but will have no state subsidy.
 - High risk individuals enrolled in the program will pay full price and be administered through the Indiana Comprehensive Health Insurance Association (ICHIA)
 - Employees can buy into the program if their employer has not offered employer-sponsored health insurance for 6 months, with the price to be determined by standard underwriting guidelines and no state subsidy.

Other key components of the act include:

- An increase to the state's cigarette tax of \$.44 per pack (new state tax is total of 99.5 cents per pack) beginning July 1, 2007. Estimated to be \$187.2 million in fiscal year 2008 and \$206.5 million in fiscal year 2009, the additional revenue will be allocated as follows:
 - \$.05 funds other health incentives, including \$1.2 million annually for the Indiana Tobacco Prevention and Cessation program.
 - \$.03 funds an increase in Medicaid provider reimbursements (\$.02 to physicians, \$.01 to dentists).
 - \$.03 covers the lost tax revenue from the creation of an Employer's 125 Plan.
 - \$.33 funds the Indiana Check-Up Plan for an estimated 132,000 uninsured Hoosiers, after \$11 million is annually diverted directly to fund childhood immunization programs.
- Requires use of \$50 million Disproportionate Share dollars for the plan and makes funding changes to the Hospital Care for the Indigent program.
- Enhances the CHIP eligibility from 200 percent FPL to 300 percent FPL, which could potentially cover an additional 39,000 Hoosiers.
- Establishes continuous eligibility for Medicaid and CHIP recipients who are less than 3 years old, which will eliminate the need for parents to reapply annually for their young children.
- Creates presumptive eligibility for pregnant women (requires approval by the federal government).
- Allows FSSA and the Department of Insurance to develop a program to allow small businesses (those with less than 50 employees) to join together to purchase group health insurance; this could include up to 98,972 of Indiana's employers and 717,150 of their Hoosier employees.
- Requires FSSA to promote the plan and provide information to potentially eligible individuals who live in medically underserved rural areas of the state.
- Requires health insurers and HMOs to provide coverage for children up to 24 years of age (at the request of a parent), which could cover an additional 186,500 Hoosier young adults, the fastest growing uninsured population. This provision does not apply to employer self-funded insurance plans, which are regulated by federal rules under ERISA.
- Creates a tax incentive for up to 50 percent of the costs incurred by small businesses (2-100 employees) to establish employee wellness programs; minimally, the program must include requirements for employee rewards for appropriate weight loss, smoking cessation and pursuit of preventative health care services. Wellness programs must be certified by the Indiana State Department of Health to be eligible for the tax incentive.
- Creates an Indiana Check-Up Plan Task Force to study and monitor the program.
- Provides a tax credit to employers not already offering health benefit plans for the cost of implementing a Section 125 Plan of \$50 per employee up to \$2,500 for the first two taxable years.
- Requires the Health Finance Commission to review Medicaid reimbursement from all funding streams and to study a state-wide smoking ban.

HEA 1821 PROFESSIONS AND OCCUPATIONS AND CRIMINAL BACKGROUND CHECKS OF CERTAIN ENTITIES

Author(s): KLINKER, T. BROWN, C. BROWN

Sponsor(s): MILLER, ALTING, ROGERS, SIPES

**Citations Affected: IC 10-13; IC 12-10; IC 16-27; IC 20-12; IC 20-28; IC 25-1;
IC 25-2.1; IC 25-7; IC 25-8; IC 25-9; IC 25-21.5; IC 25-23.5;
IC 25-23.6; IC 25-23.7; IC 25-27.5; IC 25-35.6; IC 34-6;
IC 35-48; Noncode**

HEA 1821 contains numerous provisions pertaining to professional licensing and criminal background checks. The act:

- Requires a licensed home health agency and licensed personal services agency to apply for determinations concerning national criminal history background checks for employees (under current law, they are required to obtain a limited criminal history check).
- Requires the licensure of occupational therapists (current law requires certification).
- Provides that an occupational therapist may not provide certain services unless the patient has been referred by specified providers.
- Provides that the professional licensing agency may delay reinstating a license, certificate or registration for 90 days to investigate an applicant.
- Provides that the board may summarily suspend the license of a real estate appraiser under certain circumstances.
- Provides that an individual may obtain a beauty culture instructor license and instruct in areas of beauty culture in which the individual holds a license.
- Provides that a registration to distribute controlled substances is automatically suspended under specified circumstances.
- Provides for reinstatement of a tanning facility license.
- Removes semi-professional elimination contests from the boxing and sparring laws.
- Removes a provision that requires certain organizations to supply information concerning continuing education of land surveyors.
- Allows an individual who holds a valid CPA certificate from any state with substantial equivalency standards to perform quality reviews.
- Allows the State Board of Cosmetology Examiners to establish standards for mobile salons.
- Allows individuals who meet certain requirements to obtain a license in speech-language pathology.
- Changes the fee for issuance of a duplicate license, registration or certificate from \$10 to \$25.
- Changes the limitation on course work hours for students in barber school or cosmetology school from eight to ten hours per day.
- Changes the clinical experience required for marriage and family therapists from three to two years.
- Removes the Psychology Board's authority to establish a list of Restricted Psychology Tests and the prohibition of certain individuals, including marriage and family therapists, licensed clinical social workers and mental health counselors, from administering or interpreting a restricted psychological test.

- Repeals provisions concerning the requirement for a person to complete a cosmetology school program again if the person fails the examination by the State Board of Cosmetology Examiners; esthetics and electrology instructor licenses, which are replaced with the beauty culture instructor license; and inactive cosmetology professionals' licenses.

Insurance

SEA 114 HEALTH PROVIDER REIMBURSEMENT AGREEMENTS

Author(s): GARD, ERRINGTON, LANANE

Sponsor(s): VANHAAFTEN, RIPLEY, T. BROWN, FRY

Citations Affected: IC 27-8; IC 27-13; Noncode

SEA 114 prohibits provisions in health provider reimbursement agreements called “most-favored nation” clauses that give large health insurers negotiating power with hospitals and physicians. The agreements require health-care providers to give certain insurers the lowest reimbursement rate. If a provider gives another carrier a lower rate, the “most-favored nation” insurer is entitled to a refund of the difference. According to the Insurance Institute of Indiana, “most-favored nation” clauses allow the state’s largest insurer to increase their dominance of the marketplace which is not good for consumers. The institute was part of a coalition of the state’s health-care providers and insurers who pushed for the change. The Insurance Institute said Anthem-WellPoint, with more than 36 percent of the market, was the only company in the state to utilize the clause.

SEA 171 INSURANCE PRODUCTS SALES

Author(s): DELPH, SIMPSON

Sponsor(s): GIAQUINTA RIPLEY

**Citations Affected: IC 16-39; IC 20-12; IC 27-1; IC 27-4; IC 27-8; IC 27-13;
IC 36-8; Noncode**

SEA 171 provides that engaging in certain dishonest or predatory insurance practices in marketing or sales of insurance to members of the U.S. armed forces constitutes an unfair and deceptive act and practice in the business of insurance. *(For more on this act, please refer to the section on Consumer Protection.)*

SEA 372 HEALTH INSURANCE PROCEDURES

Author(s): SIMPSON, LANANE, MILLER

Sponsor(s): C. BROWN

Citations Affected: Noncode

SEA 372 requires the Department of Insurance to study the current preauthorization practices and procedures of accident and sickness insurers and health maintenance organizations and states that it may review the standardization of other insurance matters. The department must report to the Legislative Council before November 1, 2007 concerning its findings.

SEA 501 STATE RETIREMENT MEDICAL BENEFITS ACCOUNT

Author(s): KENLEY, MRVAN, LONG, R. YOUNG, HUME

Sponsor(s): C. BROWN, T. BROWN, BAUER, BOSMA

Citations Affected: IC 5-10; IC 5-10.3

SEA 501 establishes a retirement medical benefits account for elected officers, appointed officers and employees of the executive, legislative and judicial branches of state government to pay participants’ medical expenses after retirement with the Budget Agency designated as the

account administrator. The act requires the state to make the following annual contributions to the account based on the age of the participant:

- 1) Less than 30, \$500.
- 2) At least 30 but less than 40, \$800.
- 3) At least 40 but less than 50, \$1100.
- 4) At least 50, \$1400.

The act provides for a supplemental contribution to the account (\$1000 multiplied by the number of years of service) for a participant who is an employee eligible for a normal unreduced retirement benefit and retires with at least 15 years of service with the state or is an elected or appointed officer who retires with 10 years of service. The surviving spouse or dependent of a retired participant may receive a benefit. However, if there is no surviving spouse or dependent, any unused amount credited to a retired participant is forfeited upon his/her death.

The act also requires the State Budget Committee to review the financial status of the account annually. It provides that, if allowed by the Internal Revenue Service, the retirement medical benefits account established by the public employees' retirement fund must require a state employee to convert certain unused vacation leave to a monetary contribution to the account at retirement and allow the state to contribute to the account on the employee's behalf an amount not to exceed two times the amount of the employee's contribution. It specifies that the Office of Management and Budget may not establish the retirement medical benefit account or implement the health reimbursement arrangement unless the General Assembly makes a specific appropriation to implement the health reimbursement arrangement.

SEA 566 HEALTH CARE SERVICES AND MEDICAID

Author(s): DILLON

Sponsor(s): C. BROWN, T. BROWN, WELCH

Citations Affected: IC 11-12; IC 12-7; IC 12-15; IC 12-19; IC 36-2

SEA 566 contains a number of provisions regarding Medicaid claims. It requires an insurer to accept a Medicaid claim for services provided a Medicaid recipient for three years after the date the service was provided. An insurer may not deny a Medicaid claim based on the date of submission of the claim, the type or format of the claim form, the method of submission of the claim or the failure to provide proper documentation at the point of sale that is the basis of the claim if the claim is submitted within three years of the date of service and the OMPP commences an action to enforce the claim within six years of the submission date.

Additional provisions include:

- An insurer may not deny a Medicaid claim based solely on lack of preauthorization. The insurer shall conduct the preauthorization retrospectively where such preauthorization is necessary.
- States that notice requirements may be satisfied by electronic or mail submission (current law provides only for certified or registered mail).
- An insurer must accept the state's right of recovery and assignment of certain rights as required by federal law.
- Adds certain less restrictive settings to the definition of children's psychiatric residential treatment services.

- Requires OMPP to conduct a study of Medicaid claims paid from 1/1/01 to 7/1/07 that were eligible for payment by a third party. Provides that if the study by OMPP reveals at least one percent of the Medicaid claims paid could have been paid by a third party, OMPP shall implement an automated procedure for determining whether a Medicaid claim is eligible for payment by a third party before payment.
- Allows OMPP to implement a change in the office's maximum allowable cost schedule for prescription drugs 30 days after OMPP posts the changes on OMPP's web site. (Current law requires 45 days before the change may be effective.)
- Allows a pharmacy to determine not to participate in the Medicaid program as a result of a change in the schedule if the pharmacy notifies the OMPP within 30 days of the change in the schedule taking effect.
- Changes the way charges are set at state mental health institutions.
- Repeals provisions concerning the per capita cost of treatment at state mental health institutions and the per capita cost of outpatient services.

HEA 1378 INSURANCE COVERAGE EXCLUSION FOR INTOXICATION

Author(s): VAN HAAFTEN, CROUCH

Sponsor(s): BECKER, DEIG

Citations Affected: IC 27-8; Noncode

HEA 1378 mandates that insurance policies that provide coverage for hospital, medical or surgical expenses may not exclude or limit the insurer's liability for losses related to an insured's intoxication or use of a narcotic. This provision applies to policies issued, amended, delivered or renewed after December 31, 2007.

HEA 1452 INSURANCE AND HEALTH ISSUES

Author(s): KLINKER, KOCH, FRY, RIPLEY

Sponsor(s): MILLER, PAUL, SIPES, HOWARD

**Citations Affected: C 6-39; IC 20-12; IC 27-1; IC 27-8; IC 27-13;
IC 36-8; Noncode**

HEA 1452 contains a number of miscellaneous provisions related to insurance and health issues. Among them:

- It provides that the Department of Insurance sets the amount charged for copies of medical records.
- It establishes the Insurance Education Scholarship Fund.
- It revises language concerning assessments for the Second Injury Fund.
- It increases the annual internal audit fee for foreign and domestic insurers from \$350 to \$1000. It applies this annual internal fee to health maintenance organizations. The total amount to be paid to the Department of Insurance by insurers for all policies, riders, etc is capped at \$1000.
- It specifies requirements for assets in a segregated investment account for a funding agreement.
- It requires certain notice of coverage changes in residential property policies and prohibits any provision in such a policy that limits the time within which a claim may be made to less than two years from the date of the loss.

- It requires the Commissioner of the Department of Insurance to establish standard personal property and casualty insurance fees among all personal lines insurers.
- It allows certain state educational institutions to participate in a prescription drug purchasing program.
- It allows the OMPP to establish a health care management program demonstration project and a pilot project concerning certain small employers.
- It reduces the insurance producer license renewal periods from four years to two years and continuing education requirements for renewal are reduced accordingly.
- It removes the requirement that resident surplus lines producers file a bond with the commissioner.
- It makes certain changes to filing and notice requirements that apply to commercial property and casualty insurance.
- It amends the definition of "multiple employer welfare arrangement" (MEWA) applying to the law regulating MEWAs.
- Indiana may, if certain conditions are met, serve as the port of entry of an unauthorized alien insurance company to transact business in the United States through a United States branch.
- It specifies policy form filing requirements for a policy of accident and sickness insurance.
- It amends mandated benefit statutes defining an "accident and sickness" policy to standardize the list of the types of policies that are not included in the use of the term.
- It makes changes to statutes concerning accident and sickness insurance policies, travel accident policies, short term health policies and long term care insurance producer compensation, including changes to preexisting condition limitation periods, claim payment requirements, policy return periods and independent review organization determinations.
- It removes a provision requiring sheriff pension annual report to the Department of Insurance.
- It establishes an interim study committee to create a definition of "health insurance" for purposes of the law concerning accident and sickness insurance and health maintenance organization contracts.

Local Government

SEA 9 REGULATE THE DISCHARGE OF CONSUMER FIREWORKS

Author(s): HEINOLD, LANDSKE, BECKER, LAWSON, MRVAN, ZAKAS, BRODEN, HERSHMAN, LANANE

Sponsor(s): KUZMAN, SOLIDAY

Citations Affected: IC 22-11

SEA 9 provides that counties and municipalities may adopt ordinances to regulate the time and location for the use, ignition or discharge of consumer fireworks. The act specifies the following days and times that a consumer fireworks use ordinance may not limit the use of consumer fireworks:

- Between the hours of 5:00 p.m. and two hours after sunset on June 29, June 30, July 1, July 2, July 3, July 5, July 6, July 7, July 8 and July 9;
- Between the hours of 10:00 a.m. and 12:00 a.m. on July 4; and
- Between the hours of 10:00 a.m. on December 31 and 1:00 a.m. on January 1.

The law became effective May 8, 2007.

SEA 96 FOUNDRY PRODUCTS PRODUCED

Author(s): MEEKS, HEINOLD

Sponsor(s): NIEZGODSKI, WOLKINS, KOCH

Citations Affected: IC 5-16

SEA 96 requires that foundry products produced in the United States must be used in state and local public works projects unless certain conditions apply. Foundry products mean products cast from ferrous and nonferrous metals by foundries in the United States.

There is currently a requirement to use U.S. steel in public works projects if the cost of the steel is within 15 percent of the cost of foreign steel. This act extends the requirement to include foundry products.

SEA 103 SERIAL MEETINGS AND PUBLIC ACCESS RIGHTS

Author(s): GARD, MILLER

Sponsor(s): STILLWELL, KOCH

Citations Affected: IC 5-14; IC 8-4; IC 21-22; IC 21-25; IC 21-27; IC 25-1

SEA 103 limits serial meetings and protects public access rights. The act provides that, absent express statutory authorization, a member of the governing body of a public agency who is not physically present at a meeting but communicates with other members of the governing body during the meeting by an electronic means of communication may not participate in a final action taken at the meeting or be considered to be present at the meeting.

The act specifies the contents of the memoranda of a meeting that a member participates in by using an electronic means of communication. The governing body of a joint agency of a municipal utility program, among others, is allowed to conduct meetings by electronic means.

The act also provides, with certain exceptions, that members of the governing body who participate in a series of gatherings either in person or by electronic means (excluding electronic mail) violate the Open Door Law if:

- One of the gatherings is attended by at least three members but less than a quorum of the members of the governing body and the other gatherings include at least two members of the governing body (for the city-county council of a consolidated city, one of the gatherings must be attended by at least five members and the other gatherings must include at least three members);
- The total sum of different members attending all gatherings at least equals a quorum of the governing body;
- All the gatherings concern the same subject matter and are held within a period of not more than seven consecutive days; and
- The gatherings are held for the purpose of taking official action on public business.

The act increases the gatherings that are excluded from the definition of "meeting" under the Open Door Law. Those additional exclusions are:

- Any social or chance gathering not intended to avoid this chapter;
- Any onsite inspection of any project, program or facilities of applicants for incentives or assistance from the governing body;
- Traveling to and attending meetings of organizations devoted to betterment of government;
- A caucus;
- A gathering to discuss an industrial or a commercial prospect that does not include a conclusion as to recommendations, policy, decisions or final action on the terms of a request or an offer of public financial resources;
- An orientation of members of the governing body on their role and responsibilities as public officials, but not for any other official action;
- A gathering for the sole purpose of administering an oath of office to an individual.

Under the act, negotiations (in addition to "interviews" as provided in the current law) may be held in executive session between industrial or commercial prospects and the following:

- An economic development commission;
- A local economic development organization; and
- A governing body of a political subdivision.

The act exempts from public access, at the discretion of the public agency, records relating to negotiations between industrial, research or commercial prospects and a local economic development organization or a governing body of a political subdivision while negotiations are in progress. However, a final offer of public financial resources communicated by a governing body of a political subdivision shall be available for inspection and copying after negotiations with that prospect have terminated.

The act also exempts from the Open Door Law and the Access to Public Records Law an entity that receives public funds through an agreement with the state, county or municipality to provide services, goods or other benefits in exchange for fees and is not required by statute, rule or regulation to submit to an audit by the State Board of Accounts.

SEA 191 CORONER ISSUES**Author(s): MILLER, SIPES****Sponsor(s): TINCHER, BUELL****Citations Affected: IC 4-23-6.5-7; IC 4-23-6.5; IC 36-2-14-6; IC 36-2-14-6.5;
IC 36-2-14-6.5; IC 36-2-14-18; IC 36-2-14-22.2; IC 36-2-14-23**

SEA 191 relates to the investigation of deaths and coroner training. The legislation was, in part, initiated after a 2006 case where the identities of two traffic accident victims, one surviving victim and one deceased victim, were mistaken for each other. The bill requires coroners to positively identify a dead person by one of four specified methods: fingerprint, DNA, dental records or positive identification by at least one member of the deceased's immediate family.

Requires the Coroners Training Board, in consultation with the Indiana Law Enforcement Academy and a pathologist, to create and offer an introductory training course and an annual training course for coroners and deputy coroners. The courses must include instruction regarding death investigation, crime scenes and preservation of evidence at a crime scene for police and crime lab technicians. Each coroner and each deputy coroner must successfully complete the introductory training course and the annual training course with the repercussion that their paycheck may be withheld for failing to successfully complete the courses. Additionally, a coroner's paycheck may be withheld for failing to release a written report or full autopsy report.

Coroners are also required to make available, upon written request, a full copy of an autopsy report, including a photograph, a video recording or an audio recording of the autopsy, to the Department of Child Services, the Statewide Child Fatality Review Committee or a county or regional Child Fatality Review Team, for purposes of the entities conducting a review or an investigation of the circumstances surrounding the death of a child. The information must be available not later than 14 days after the completion of the autopsy report or, if applicable, any other report, including a toxicology report.

However, the bill allows a prosecuting attorney to petition a court to prohibit a coroner from releasing specified information if the release of the information would create a significant risk of harm to the criminal investigation of the death.

The bill also prohibits disturbing a body, any evidence and the scene of death until the coroner has photographed the body and law enforcement and the coroner have finished their investigation.

SEA 211 BONDING FOR PUBLIC WORKS PROJECTS**Author(s): FORD****Sponsor(s): CRAWFORD****Citations Affected: IC 4-13-6; IC 5-16; IC 5-30; IC 8-15; IC 8-23;
IC 36-1; Noncode**

SEA 211 requires the Department of Administration to offer instruction at least annually to small businesses, minority business enterprises and women's business enterprises with regard to bonding requirements and securing bonding for public works projects.

The act increases the threshold to \$200,000 for which bid, performance and payment bonds are required for state and local public works projects. Sets a minimum percentage of retainage that must be withheld by a state agency under a public works contract of at least six percent until 50 percent of the work is done and at least three percent until the public work is substantially complete.

SEA 334 RESTRICTIVE COVENANT

Author(s): RIEGSECKER

Sponsor(s): MOSES, WALORSKI, NEESE, ULMER

Citations Affected: IC 4-22; IC 32-21

SEA 334 provides that certain rules concerning the fire safety, building and equipment laws are not subject to the requirement that the adopting agency prepare a statement that describes the annual economic impact of the rule on all small businesses after the rule is fully implemented.

A deed restriction or restrictive covenant recorded after June 30, 2007, may not prohibit or restrict the erection of an industrialized residential structure on real property. A deed restriction, restrictive covenant or agreement that applies uniformly to all homes and industrialized residential structures in a subdivision may impose the same aesthetic compatibility requirements on an industrialized residential structure in the subdivision that apply to all residential structures in the subdivision.

SEA 448 CORONER

Author(s): PAUL

Sponsor(s): PFLUM

Citations Affected: IC 36-2-14-22

SEA 448 requires a coroner to exercise reasonable care in providing a climate controlled environment to retard decomposition of a human body in the coroner's custody.

SEA 472 PUBLIC SAFETY TRAINING FUND

Author(s): WYSS, ROGERS

Sponsor(s): RESKE, DODGE, STEVENSON

**Citations Affected: IC 10-14; IC 10-15; IC 10-19; IC 22-11; IC 22-12;
IC 22-14; IC 36-8; Noncode**

SEA 472 creates the Regional Public Safety Training Fund to provide regional and advanced training for public safety service providers.

The act also:

- Allows the Indiana Department of Homeland Security to provide local units of governments with grants for the repair and replacement of public facilities damaged or destroyed during a disaster.
- Allows additional persons and entities to apply for a grant from the State Disaster Relief Fund.

- Authorizes the Department of Homeland Security Division of Fire and Building Safety to receive money from the statewide Arson Investigation Financial Assistance Fund for purposes of fire investigation. The act removes the authority of the State Fire Marshal (SFM) to distribute money to the arson fund.
- Abolishes the Firefighting and Emergency Equipment Revolving Loan Fund. It establishes the Fire Training Infrastructure Fund. The purpose of this Fund is to provide grants to construct training facilities and purchase training equipment.
- Allows volunteer fire departments and political subdivisions access to other local funds to pay back the loans (and interest) that were provided under the Revolving Loan Fund.

HEA 1033 MANUFACTURED HOME - WEATHER RADIO

Author(s): HOY, PIERCE, WELCH

Sponsor(s): BECKER

Citations Affected: IC 16-31; IC 25-25.7; IC 34-30

HEA 1033 requires that a manufactured home that is installed in a mobile home community be equipped with a weather radio. *For more information, please refer to the section on Consumer Protection.*

HEA 1058 TRANSFER PROPERTY TO A VOLUNTEER FIRE DEPARTMENT

Author(s): BISCHOFF, RUPPEL, TINCHER

Sponsor(s): STEELE, LEWIS

Citations Affected: IC 5-22; IC 36-1

HEA 1058 authorizes a political subdivision to transfer property to a volunteer fire department without consideration or for nominal consideration for the construction of a fire station or other purposes related to firefighting. The act specifies that this authority applies to all political subdivisions after June 30, 2008 and does not apply to a township in Marion County before July 1, 2008.

HEA 1078 DR. MARTIN LUTHER KING JR. INDIANA HOLIDAY COMMISSION

Author(s): TINCHER, GOODIN, RUPPEL

Sponsor(s): MEEKS, LEWIS, WYSS

Citations Affected: IC 5-10.2; IC 10-12

HEA 1078 reduces the number of members of the Dr. Martin Luther King Jr. Indiana Holiday Commission from 14 to 13 and allows that the members of the commission to make all policy decisions relating to the commission. The legislation also changes the number of members appointed by the governor to the commission from 10 to 9.

HEA 1278 LOCAL GOVERNMENT INVESTMENT POOL

Author(s): AUSTIN, V. SMITH

Sponsor(s): FORD, LANANE, WYSS, BRODEN, DELPH, DROZDA

Citations Affected: IC 5-13

HEA 1278 establishes the Local Government Investment Pool within the office of the Treasurer of State to provide a mechanism for local units of government to pool their investable dollars for

investment purposes. Local units of government are allowed to pay money into the investment pool for the purpose of deposit, investment and reinvestment of the money by the Treasurer of State on behalf of the units. The Treasurer of State is required to invest the funds in the investment pool in the same manner, in the same type of instruments and subject to the same limitations provided for the deposit and investment of state funds.

The Treasurer of State is required to invest the money pursuant to the Indiana public funds law in a manner that:

- Guarantees the safety and preservation of the principal;
- Maintains the liquidity necessary so any unit of government can get any (or all) of its money back at any time; and
- Achieves the superior investment yield that directly results from economies of scale, leveraging the robust investment technology present in the Treasurer of State's office that does not exist in any other local investing official's office and the ability to invest every penny at a market rate of return.

The Treasurer of State is authorized to contract with accountants, legal counsel, regulated investment advisors, money managers and other finance and investment professionals to make investments and provide for the public accounting and legal compliance necessary to ensure and maintain the safety, liquidity and yield of the investment pool. The Treasurer of State is required to establish and make public the policies that he will follow in the administration of and accounting for the investment pool. The act requires the policies to provide the following:

- No minimum time for which funds must be retained by the investment pool;
- The administrative expenses of the investment pool shall be paid from the earnings of the investment pool;
- The earnings of the investment pool in excess of administrative expenses shall be credited to the state and each unit of government participating in the investment pool in a manner that equitably reflects the different amounts and terms of the state's investment and each unit's investment;
- Unlimited number of accounts that the state or a unit of government participating in the investment pool may establish within the investment pool;
- The state and each unit of government participating in the investment pool shall receive certain daily and monthly reports;
- The investment pool shall be audited annually by an independent auditing firm; and
- At least 50 percent of the funds available for investment must be deposited in banks qualified to hold deposits of local government entities.

HEA 1287 JURY PARKING FEES

Author(s): RICHARDSON, DVORAK, GRUBB, KOCH

Sponsor(s): BRAY, LANANE

**Citations Affected: IC 3-7; IC 33-28; IC 33-29; IC 33-33; IC 33-35; IC 33-37;
IC 34-35; IC 35-34; IC 35-36; IC 35-41; IC 35-47**

HEA 1287 consolidates provisions concerning jury selection procedures and administration into one chapter of the Indiana Code that conforms to jury selection rules adopted by the Indiana Supreme Court. If a county, city or town fiscal body adopts an ordinance for the payment of

juror parking fees, the county, city or town may pay the parking fees incurred by a juror instead of paying for mileage. The act also moves and consolidates provisions relating to the loss and restoration of the right to possess a firearm by a person convicted of a crime of domestic violence.

HEA 1434 DRUG FREE COMMUNITY FUND

Author(s): CANDELARIA REARDON, STEVENSON

Sponsor(s): LANDSKE, ROGERS, MRVAN

Citations Affected: IC 5-2

HEA 1434 requires a county fiscal body to allocate 25 percent of the money in the County Drug Free Community Fund to persons, organizations, agencies and political subdivisions to provide services and activities based on the Comprehensive Drug Free Communities Plan submitted by the Local Coordinating Council and approved by the Commission for a Drug Free Indiana.

HEA 1324 VALUABLE METAL

Author(s): CROOKS, J. LUTZ, KLINKER, BARDON

Sponsor(s): HERSHMAN, MISHLER

Citations Affected: IC 25-37.5

HEA 1324 adds copper, copper alloy, brass, aluminum or aluminum alloy that is readily used or useable on residential or commercial property to the definition of "valuable metal." *For more information, please refer to the section on Consumer Protection.*

HEA 1379 COPYING AND CERTIFICATION OF DOCUMENTS

Author(s): HOY, FRIEND

Sponsor(s): LAWSON, DEIG

Citations Affected: IC 5-14; IC 36-2

HEA 1379 specifies and, in some cases, increases the fees that local units of government may charge for copying and certification of documents. The act:

- Increases the fee (from 5 to 7 cents) that the county recorder can charge a user for bulk form copies.
- Provides that a local government agency may charge a fee of not more than \$5.00 for certifying a document instead of the actual cost to the agency (specifically excludes the copying and certification charges that a health and hospital corporation and a local department of health charges for certificates of birth, death or stillbirth registration).
- Provides that a local government agency may charge a fee for copying a document that does not exceed the greater of 10 cents per page (for non-color copies) or 25 cents per page (for color copies) or the actual cost to the agency (specifically excludes the charges that a health and hospital corporation and a local department of health charges for certificates of birth, death and stillbirth registration).

The act also removes the definition of "actual cost" in the current law, allowing local agencies to charge the "actual cost" of copying, certifying or facsimile transmission of a document. A provision in current law was removed that allows a local agency to charge the actual cost of facsimile transmission of a document.

Money in the Records Perpetuation Fund, according to the act, may not be deposited in the county general fund and does not revert to the county general fund at the end of a fiscal year.

HEA 1731 STATE AND LOCAL ADMINISTRATION

Author(s): GIAQUINTA, CHEATAM

Sponsor(s): LANANE, C. LAWSON

Citations Affected: IC 5-22; IC 36-1

HEA 1731 contains various provisions regarding state and local administration. The act:

- Increases the thresholds for small purchases for Indiana state and local government agencies (from \$75,000 to \$150,000). This act also increases from \$25,000 to \$50,000 the small purchases that can be made by a unit under small purchase policies adopted by a governmental unit.
- Increases the threshold for small public works projects for political subdivisions. It increases the threshold from \$75,000 to \$100,000 for public works projects for a consolidated city, a second class city, a third class city with a population of 15,000 or more, a county containing a consolidated or second class city or a regional water or sewage district that can be let by inviting quotes from at least three persons known to deal in the class of work proposed. The invitations must be by mail and be at least seven days before quotes are due. The project could also be done by the unit's own workforce. Provides that all purchasing agencies may award a contract under the request for proposal provisions of the law without making certain written determinations. This bill would allow the soliciting of quotes on projects under \$25,000 to be done by soliciting at least three quotes by telephone or facsimile transmission and the seven-day waiting period on the quotes would not apply.
- Removes a provision that requires that when conducting discussions with an offeror, information derived from a proposal submitted by a competing offeror may not be disclosed. Extends to all purchasing agents and not just executive branch agencies, the ability to discuss competing offers. Provides that governmental entities may make purchases from other governmental entities or under another governmental entity's written contract and, in certain circumstances, with a nonprofit entity if the requirements of the public purchasing statutes are met.
- Allows any county to adopt an ordinance creating a public safety communications systems and computer facilities district. Under current law, only Marion County and Elkhart County may create these districts. Each district would encompass the unincorporated portion of the county plus any municipalities and townships that choose to join the district. Prohibits a county from imposing an ad valorem property tax levy to fund the operation or implementation of a public safety district

Pensions and Labor

SEA 29 TEACHERS RETIREMENT PLAN (TRF)

Author(s): ROBERTSON, BUELL, PORTER

Sponsor(s): WALTZ, PAUL, MERRITT

Citations Affected: IC 5-10.4

SEA 29 will extend the time period within which a member of the Teachers' Retirement Fund (TRF), who has completed active military service, is required to return to active teaching. *For more on this act, please refer to the section on Veteran Issues, Military Affairs and Public Safety.*

SEA 88 TEACHERS REEMPLOYMENT AFTER RETIREMENT

Author(s): WEATHERWAX, DROZDA, TALLIAN, BOOTS

Sponsor(s): PORTER, HINKLE, AUSTIN

Citations Affected: IC 5-12.2; IC 5-10.4

SEA 88 removes the earnings limitation for a member of TRF who is reemployed more than 90 days after the member's retirement. Neither the retired member nor the employer makes contributions to TRF for the period of reemployment. The act further provides that the member does not earn creditable service in TRF and is not entitled to an additional benefit from TRF for the period of reemployment.

SEA 128 PENSIONS

Author(s): M. YOUNG, WALTZ

Sponsor(s): TYLER, BUELL, BATTLES, RESKE, KUZMAN

Citations Affected: IC 5-10; IC 5-10.2; IC 5-10-3; IC 5-10.4; IC 36-8; Noncode

SEA 128 makes the following changes to several pensions dealing with state employees:

- For members of the State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan it provides the following:
 - Members are allowed to receive creditable service for the time benefits that were received under the state's long-term disability plan.
 - A participant is allowed to purchase service credit for service earned in the Public Employees' Retirement Fund (PERF), TRF, the State Police Pension Trust or the 1977 Police Officers' and Firefighters' Pension and Disability Fund.
 - The member's contribution is increased from three percent of the first \$8,500 to four percent of the member's annual salary.
 - An employer is authorized to pay all or a part of the member's contribution.
 - Increases from one percent to one and two thirds percent the percentage of the average salary used in computing a member's annual retirement allowance for years of service greater than 25.
 - Allows a plan participant who is at least 50 years of age and has at least 25 years of creditable service to retire with a normal benefit.
 - A plan participant receiving a line-of-duty disability benefit is entitled to receive a disability benefit for the remainder of his or her life. The benefits

would also be recomputed as a normal benefit when the participant becomes 60 years of age.

- Allows a participant in the 1977 Judges' Retirement System to receive credit in the 1977 Judges' Retirement System for service as a full-time referee, full-time commissioner or full-time magistrate after he or she leaves an elected term on the bench.
- Authorizes the transfer of service credit and contributions for certain appointed police and fire chiefs from the 1977 Fund to PERF. It also waives all credit for the service in the 1977 Fund if the transfer to PERF is made.
- Allows a beneficiary, excluding a sheriff, to authorize the trustee of a sheriff's pension trust to pay a portion of the beneficiary's monthly pension benefit to an insurance provider. This portion will be for payment of accident, health or long term care insurance premiums for the beneficiary, the beneficiary's spouse or the beneficiary's dependents.

SEA 129 PUBLIC SAFETY EMPLOYEES

Author(s): M. YOUNG, WALTZ, TALLIAN

Sponsor(s): TYLER, HINKLE, FRIZZELL

Citations Affected: IC 36-8; Noncode

SEA 129 requires a unit with a population of 7,000 or more to meet and confer with the representative of the full-time police or fire department concerning pay issues and employment conditions. It also specifies that an employee may not be required to become a member of or pay dues to an employee organization. The procedure for an employer to terminate its duty to meet and confer is also detailed in this legislation. The bill provides that employees may not engage in a strike and a recognized representative that engages in or sanctions a strike loses the right to represent employees for at least 10 years from the date of the action.

SEA 276 WAGE PAYMENTS

Author(s): KRUSE, HUME, MISHLER

Sponsor(s): CHENEY, BELL, GIAQUINTA, TORR

Citations Affected: IC 22-2; Noncode

SEA 276 requires an employer to pay all wages earned within 10 business days.

SEA 561 DEFERRED RETIREMENT OPTION PLAN (DROP)

Author(s): MISHLER, MILLER

Sponsor(s): L. LAWSON, WOLKINS

Citations Affected: IC 5-10.3; IC 36-8; Noncode

SEA 561 makes several adjustments to the pensions for public safety officers. The changes include:

- Removing a provision that limits credit for prior service. This allows a firefighter to accrue 20 years of service credit in the 1977 Police Officers' and Firefighters' Pension and Disability Fund.
- Allowing a member of the 1977 Police Officers' and Firefighters' Pension and Disability Fund who retires because of a disability more than 12 months after the date the member

enters the Deferred Retirement Option Plan (DROP) to choose between receiving a retirement benefit calculated as if the member had never entered the DROP or exiting the DROP on the date the member retires because of the disability.

- Allowing a person who fulfills certain firefighter certification requirements to be in compliance with minimum basic firefighter training requirements.
- Allowing any county to adopt an ordinance creating a public safety communications systems and Computer Facilities District.
- Prohibiting a county from imposing a property tax levy to fund the operation or implementation of the district.
- Authorizing a member of the 1925 Police Pension Fund, the 1937 Firefighters' Pension Fund, the 1953 Police Pension Fund or the 1977 Police Officers' and Firefighters' Pension and Disability Fund to resubmit a disapproved election to enter a DROP. This is in order to have the election approved so that the dates the member enters and exits the DROP are the dates selected by the member when the election was initially submitted. This must be completed before July 1, 2007.
- Allowing a member of PERF, previously employed by a state quasi-governmental entity not affiliated with PERF that is absorbed by a PERF-affiliated entity, to purchase service credit at the full actuarial cost.

HEA 1027 INDIANA'S MINIMUM WAGE

Author(s): DAY, MICON, HOY

Sponsor(s): BRAY, BECKER, LANANE, ROGERS, ERRINGTON

Citations Affected: IC 22-2; Noncode

HEA 1027 ties Indiana's minimum wage to the federal level.

HEA 1067 SUDAN - STATE PUBLIC RETIREMENT FUNDS

Author(s): CROOK

Sponsor(s): MEEKS, HUME

Citations Affected: IC 5-10.2; Noncode

HEA 1067 would divest state public retirement funds from companies that do business in Sudan in an effort to place economic pressure on the Sudanese government and compel it to halt its blatant human rights violations in the Darfur region. The bill would require PERF and TRF to contact companies that do business in Sudan in which they are shareholders and request them to cease such activities. If the companies refuse to comply, PERF and TRF would then sell or transfer their investments in those companies. It requires PERF and TRF to report their Sudanese divestment-related activities to the General Assembly. The bill also allows a member of TRF who is a party in a divorce to remove the former spouse as designated beneficiary under certain conditions.

HEA 1092 LEAVE FOR ACTIVE DUTY OVERSEAS

Author(s): AVERY, HINKLE, STILLWELL, RESKE

Sponsor(s): DELPH, SIMPSON, WYSS

Citations Affected: IC 10-16; IC 10-17; IC 22-2; IC 22-9; Noncode

HEA 1092 requires that certain Indiana employers provide up to 10 days of unpaid leave for family members of a person called to involuntary active duty overseas. *For more on this act, see the section on Veteran Issues, Military Affairs and Public Safety.*

Taxes

Property Taxes

The Property Tax Increase Crisis

There were four main factors that led to the anticipated 23.8% average increase in property tax for Indiana property owners in 2007:

- (1) annual adjustments (trending);
- (2) the repeal of the inventory tax;
- (3) state and locally mandated property tax increases from the last few years; and
- (4) return of the Homestead credit to 20% (from 28% in 2006).

In addition, there were baseline increases that made taxes go up about two percent, along with a few other very minor changes. An increase in the Standard Deduction helped to offset some of these increases, but it only accounted for a statewide average savings of about six percent.

Annual Adjustments (“Trending”): The annual adjustment law was passed as a result of the 1998 Indiana Supreme Court decision that required Indiana to move to a market based property assessment system. Annual adjustments require the County Assessor to reassess property every year using sales data of nearby residences to determine an approximation of the increase in property value each year. This will eliminate one large increase in an assessment every 10 years and instead makes a series of 10 annual smaller increases. Since this is the first year of annual adjustments which should have started in 2001, this year's adjustment is accounting for seven years of reassessments instead of just one. According to LSA, this seven year adjustment accounts for about a 10.1 percent increase in property taxes in 2007.

Repeal of the Inventory Tax: In an effort to increase business development in Indiana, the inventory tax was allowed to be eliminated at once or phased out by counties over a few years, but by 2007 the elimination had to be complete. Counties were allowed to allocate a portion of the County Economic Development Income Tax (CEDIT) to offset the loss of funding for the repeal of the inventory tax. Some counties increased this tax and some did not, which caused a shift to other classes of property including homesteads. According to LSA, this accounts for about a 3.6 percent increase in property taxes in 2007.

State and Local Levy Increases: In the 2005-2006 biennial budget, schools were forced to increase property taxes in order to achieve a small increase in the level of funding for schools. There was no increase in the amount of relief that the state granted the homeowner. Thus levies grew without any state support to help control them. According to LSA this levy growth accounted for about a 7.4 percent increase in property taxes in 2007.

Return of the Homestead Credit to 20 percent: The Homestead Credit in 2006 was 28 percent to help control growth for that year, but in 2007 it was scheduled to drop back to the standard rate of 20 percent. This created an increase in the average statewide property tax bill for homeowners of about 5.3 percent.

In response to the property tax increase, the General Assembly passed three acts to lower the increases for the next two years.

The General Assembly's Response in 2007

The state has passed a comprehensive tax plan that is contained in three bills (mainly in HEA 1478, but important aspects were also included in HEA 1001 and HEA 1835). There are three major parts to the plan, a refund for property taxes in 2007, a new subsidy to keep taxes lower in 2008 and an option to increase income taxes to replace property tax growth for longer-term relief.

Refunds: The General Assembly passed language in HEA 1001 that provided \$300 million statewide for property tax refund checks that are designed to act like homestead credits. Additional credits were not applied to tax bills because so many counties had already finalized their bills and sent them out. The amount of the checks is determined by the Department of Local Government Finance then the percentage reduction is passed on to the County Auditor. The County Auditor uses the percentage to determine the amount due each taxpayer and sends a check to either the taxpayer or the mortgagee who maintains an escrow for the taxpayer. The Legislative Services Agency (LSA) has estimated the amount of this refund to be about \$236 for the average taxpayer in 2007. This should reduce the increase from 23.8 percent statewide to around seven to eight percent *on average*. The money for these refunds comes from the slot machines authorized at the state's two horse racing facilities under HEA 1835. *For more information on HEA 1835, please refer to the section on Gaming.*

Property Tax Relief for 2008: There was additional property tax relief in 2007 designed to keep taxes low next year. According to LSA, it was anticipated that property taxes would increase by an average of 11.8 percent statewide in 2008. To help mitigate this anticipated increase, the legislature appropriated \$250 million statewide for additional homestead credits. Additionally, the Standard Deduction was set to drop to \$35,000, but this was left at \$45,000 for 2008. The Standard Deduction then drops \$1,000 each year until it reaches \$40,000. This appropriation and the standard deduction change should result in property taxes increasing only about seven to eight percent statewide *on average*. The money for these credits comes from the slot machines authorized under HEA 1835.

Income Tax Instead of Property Taxes: The plan also includes the option for allowing a county to substitute income taxes for property taxes. There are three different types of income tax options a county can consider:

(1) **Incremental Local Option Income Tax:** This would allow counties to choose whether they wanted to fund increases in levy growth with income taxes or with property taxes. The county could increase their taxes based on the current assessed value growth quotient (the amount the levy is allowed to increase). The allowable increase in the first year is double the amount needed, so that a local rainy day fund can be established in case revenue collections do not meet expectations. This rate cannot exceed 1 percent. NOTE: For Lake County, if they do not adopt this provision for the maximum 1 percent, they are not allowed to increase their property taxes.

(2) **Dollar-for-Dollar Property Tax Decreases:** The county fiscal body can choose to adopt an ordinance that would substitute a dollar of income tax for a dollar of property tax money up to a 1 percent income tax increase. This would be done in increments of .05 percent.

The relief can be in the form of just homestead credits, a local PTRC for homeowners, rental properties and apartments; or across the board relief to all classes of property.

(3) Public Safety Local Option Income Tax: This would allow a county to adopt an additional .25 percent income tax for public safety operations in counties, cities and towns. A county must adopt both of the above two local option income taxes for at least an increase of .25 percent before they can implement the Public Safety Local Option Income Tax (LOIT). This can be used for jail, police, fire and emergency medical services. NOTE: For Indianapolis, the rate can be .5 percent.

There is also a provision that would create local capital project review boards with authority to approve or disapprove most capital projects costing more than \$7 million. (Mandated sewer and water projects and highway, road and bridge projects are exempt from these board reviews.) If the board disapproves a project, the project can proceed only if the project is subsequently approved through a petition and remonstrance process.

HEA 1001 STATE BUDGET

Author(s): CRAWFORD, COCHRAN
Sponsor(s): MEEKS, MRVAN, KENLEY, SIMPSON
Citations Affected: NUMEROUS PROVISIONS THROUGHOUT
THE INDIANA CODE AND NONCODE

HEA 1001 includes the appropriations for property tax relief. These appropriations included \$300 million in money for refund checks to help offset 2007 property tax increases and \$250 million in 2008 for additional Homestead Credits. The budget also included language that would allow for the calculation and distribution procedures for the additional Homestead Credits as well as the refund checks. The process for the refund checks is as follows:

- First, The DLGF calculates and certifies to each County Auditor and the Department of Revenue (DOR) the amount of the additional Homestead Credit to be refunded.
- No later than November 1, 2007, the DOR shall distribute to each County Treasurer the amount certified by the DLGF for each county.
- The County Treasurer is required to put that money in a separate account to only be used for the tax refunds.
- At the same time the DLGF is making the certifications of the dollar amounts for additional Homestead Credits due each county, they are required to transmit to the County Auditor the percentage that applies to each taxing district in that county.
- The County Auditor then uses the certified percentage to determine the amount of the refund due to each taxpayer.
- The County Auditor shall certify the amount for each taxpayer no later than December 20, 2007.
- The refund cannot exceed the tax liability of a taxpayer.
- The refund is first applied against any delinquent taxes the taxpayer may owe, then the County Auditor would issue a warrant to the last known address or the mortgagee maintaining an escrow for mortgaged properties. In addition, the County Auditor shall mail a document informing each taxpayer of the amount of their refund regardless of whether they have a mortgage or not.

HEA 1478 PROPERTY TAX RELIEF PROVISIONS

Author(s): KUZMAN, TURNER

Sponsor(s): KENLEY, HERSHMAN, MRVAN

**Citations Affected: NUMEROUS CHANGES THROUGHOUT THE INDIANA
CODE**

HEA 1478 contains most of the property tax relief provisions that were mentioned above.

Property Tax Deductions: The Standard Deduction is increased for 2008 for all homesteads to \$45,000. This was set to drop to \$35,000. The Standard Deduction is then decreased by \$1,000 each year until reaching \$40,000.

Replacement of Property Tax Growth with Income Taxes: A county is allowed to adopt an additional CAGIT rate or an additional COIT rate set by the DLGF at an amount sufficient to raise tax revenue to replace the estimated increase in the following year of certain property tax levies in the county. The rate cannot exceed 1 percent. When the rate is first imposed, it must be set for two years and the amount of the first year must be double the amount needed for that year. The excess money is placed in a county stabilization fund for use when revenues fall short of expectations. This tax rate cannot be rescinded, but may be increased each year to replace levy growth.

County Stabilization Fund: The fund receives money if the certified distributions exceed the estimated replacement amount used to determine the tax rate. The excess shall be deposited in the county stabilization fund to be used only if the certified distributions ever fall short of expectations.

Replacement of Property Taxes with Income Taxes: A county may impose a CAGIT or COIT tax rate of not more than one percent for property tax replacement credits, an increase in the homestead credit percentage or property tax replacement credits for qualified residential property. There is a special requirement in the act for Lake County. The assessed value growth quotient for a particular year for civil taxing units in Lake County is zero unless the tax rate for property tax relief will be in effect at a rate of one percent in Lake County for that year. This means that Lake County will not be able to increase property taxes unless they adopt a one percent COIT/CAGIT. Ordinances imposing, increasing, decreasing or rescinding CAGIT, COIT and the County Economic Development Income Tax (CEDIT) must be adopted after March 31 and before August 1 of a year. The ordinances take effect October 1 2007.

Public Safety COIT: The public safety COIT can only be adopted if the county has adopted the maximum property tax relief income taxes allowed under the enrolled act. The amount of the increase allowed for public safety is .25 percent in every county except Indianapolis/Marion County, where the maximum rate is .5 percent. The tax revenue is distributed to the county and municipalities in the county and to be used for public safety purposes.

County Board of Tax and Capital Projects Review: The act abolishes the old County Boards of Tax Adjustment on December 31, 2008 and in its place establishes a County Board of Tax and Capital Projects Review in each county on January 1, 2009. In counties other than Marion

County, a review board consists of members appointed from various fiscal bodies within the county and two individuals elected on a nonpartisan basis. In Marion County, the makeup is different and the review board does not consist of two individuals that are separately elected. The review board has the same powers as the County Boards of Tax Adjustment before they were repealed and they must review and provide a written report concerning each capital projects plan that is required to be made by the county fiscal body. A political subdivision may not begin construction of a capital project, enter into contracts for the construction of a capital project, issue bonds for a capital project or take certain other actions concerning a capital project unless the review board approves the capital project. The approval of the DLGF is not required for an issuance of bonds that has been approved by the review board. A capital project must be reviewed by a review board only if the capital project is a controlled project for purposes of the petition and remonstrance procedures and will cost the political subdivision more than \$7 million. The review board approval is not required for water projects, wastewater projects, highway or road projects or bridge projects.

Required Capital Project Plans: The fiscal body of each political subdivision in a county must do the following every two years: hold a public hearing on a proposed capital projects plan and adopt a capital projects plan. The capital projects plan is required to apply to at least the five years immediately following the year it is adopted.

Circuit Breaker: The circuit breaker credit for taxes greater than two percent of assessed value applies to homestead property (rather than qualified residential property) for 2008 and 2009. After 2009, the circuit breaker credit for taxes greater than two percent of assessed value applies to homestead property and that a circuit breaker credit for taxes greater than three percent of assessed value applies to all other property. A school corporation's tuition support property tax levy may not be reduced because of a circuit breaker credit. A redevelopment commission or the governing body of certain other TIF districts may file with the County Auditor a certified statement providing that for purposes of computing and applying the circuit breaker credit, a taxpayer's property tax liability does not include the liability for a tax increment replacement tax.

Circuit Breaker Relief Appeal Board: This board is established in 2008. A county or two or more political subdivisions that will have their property tax collections reduced by at least two percent in a year as a result of the application of the circuit breaker credit may petition the board for relief from the application of the circuit breaker credit. A petitioning political subdivision is required to submit a proposed financial plan to the board. If the governing boards of all political subdivisions in the county agree, the board may increase the threshold at which the circuit breaker credit applies to a person's property tax liability or allow for a uniform percentage reduction to circuit breaker credits otherwise provided in the county.

Miscellaneous:

- All school debt refinancing must include the repayment of the principal. Parke County is allowed to impose an additional CAGIT rate of not more than 0.25 percent to fund the costs (including pre-trial costs) of a capital trial that has been moved to another county for trial and to repay money borrowed for that purpose.
- The Allen County innkeeper's tax rate is increased to seven percent. Monroe County is authorized to adopt an additional COIT tax rate of not more than 0.25 percent to fund a juvenile detention center.

- The cap on the Vanderburgh County innkeepers' tax is raised from six percent to eight percent.
- The additional county option income tax rate permitted in Howard County must be adopted in increments of one hundredth percent.
- The portion of the judicial salaries fee retained by a city or town shall be prioritized to fund city or town court operations.
- The act makes certain changes concerning personal property abatement for machinery assembled in Indiana.
- The Annexation Study Committee is created.

HEA 1835 GAMING

Author(s): VANHAFFTEN, WHETSTONE

Sponsor(s): JACKMAN, LANANE

Citations Affected: IC 4-22; IC 4-31; IC 4-33; IC 4-35; IC 6-3; IC 6-8.1; IC 7.1-3; IC 7.1-5; IC 35-45; Noncode

HEA 1835 contained all of the various provisions for financing the property tax refunds that were made in HEA 1001. Items in the act related to property taxes and tax relief:

Wagering Taxes: Wagering taxes for riverboats are increased to 40 percent on adjusted gross receipts over \$600 million. The wagering taxes for the slot machines at the racetracks are all deposited in the property tax reduction fund to be used for reducing property taxes in 2008 and 2009.

The rates for the wagering tax are as follows:

- 25 percent of the first \$100 million of adjusted gross receipts received during the state fiscal year.
- 30 percent of the adjusted gross receipts in excess of \$100 million but not exceeding \$200 million received during the state fiscal year.
- 35 percent of the adjusted gross receipts in excess of \$200 million received during the fiscal year.

Slot Machine Wagering Fees: These fees are imposed on a licensee at the rate of three percent of the adjusted gross receipts with a limit of no more than \$8 million per year. The money is distributed to each city and town in the counties where the racetracks are located based on the city or town's population compared with the total county population. The rest gets distributed to the counties where the racetracks are located.

Supplemental Wagering Fees: These fees are charged to the two licensees equal to one percent of the adjusted gross receipts beginning in fiscal year 2008 and lasting three years. This money is sent to the Gaming Commission to be sent to the French Lick Casino to minimize its losses in the early years of its operation.

Initial Licensing Fee for Slot Machines: The initial licensing fee at each of the two racetracks is set at \$250 million payable in two annual installments. This money is used as the funding for the tax rebate check that will be sent out in 2007.

Riverboat Property Tax Assessment Methodologies: Any of three methodologies must be used for assessing riverboats in order to ensure accurate assessments for the boats.

SEA 287 VARIOUS PROPERTY TAX MATTERS

Author(s): KENLEY, DILLON, M. YOUNG

Sponsor(s): ESPICH, KUZMAN

Citations Affected: IC 3-8; IC 3-10; IC 3-11; IC 4-21.5; IC 4-22; IC 5-1; IC 6-1.5; IC 6-2.5; IC 6-8.2; IC 14-23; IC 15-1.5; IC 32-21; IC 32-28; IC 33-26; IC 36-1; IC 36-2; IC 36-3; IC 36-5; IC 36-6; IC 36-7; IC 36-9; IC 36-12; Noncode

SEA 287 is the omnibus property tax bill that makes a number of small changes to the property tax assessment system to get better training and consistency.

Election Changes: Anyone who runs for County Assessor after June 30, 2008, must be at least a Level Two Assessor-Appraiser. Anyone who runs for Township Assessor after June 30, 2008, must be at least a Level Two Assessor-Appraiser before taking office. If a Township Trustee also does township assessing duties, he/she must have at least a Level Two Assessor-Appraiser certificate before taking office or must only perform the duties of a township trustee.

Indiana Board of Tax Review: This board is exempted from the administrative orders and procedures act with respect to appeals to the Indiana Tax Court.

Miscellaneous DLGF Changes: If a taxpayer holds personal property in two or more townships, the taxpayer is required to file additional returns with the County Assessor rather than the Department of Local Government Finance (DLGF). The County Assessor, instead of the DLGF, is required to order the reassessment of property destroyed in a disaster. A County Assessor is allowed to petition the DLGF to assess an industrial facility in their county. An appeal of an assessment of the real property of an industrial facility made by the DLGF is subject to appeal to the Indiana Board of Tax Review.

Reassessment Funds: An appropriation from the property reassessment fund must be approved by the fiscal body of the county after the review and recommendation of the County Assessor.

Sales Disclosure Forms: The County Assessor must now review the accuracy of the sales disclosure forms and then certify that they are accurate before sending them to the County Auditor.

Deadlines: May 15 is established as the deadline to apply for a property tax exemption. The act delays the property tax due dates if notices of assessment for the immediately preceding year are not issued at least 45 days before May 10 of the year the tax is due. The assessment appeal deadline is extended for a taxpayer that receives a tax statement based on the 2006 assessment. Most political subdivisions are required to adopt a budget by September 30.

Assessed Valuation Limits: Increases the assessed valuation eligibility limits for the age 65 and greater deduction (from \$144,000 to \$182,430), the disabled veteran's deduction (from \$113,000 to \$143,160) and a World War I veteran (from \$163,000 to \$206,500).

Economic Revitalization Areas: Adjusts the definition of new manufacturing equipment in an economic revitalization area so that it includes equipment in an arms length transaction from an entity that is not an affiliate of the deduction applicant if the personal property has been previously used in Indiana before the installation, but not in an economic revitalization area.

Underassessment of Assessed Value for Abatements: For the various types of property tax abatement, provides a procedure to correct an understatement of an assessed value deduction that results from an error by the taxpayer by the application of a separate deduction after the regular abatement schedule expires. This provision affects County Auditors, not Assessors.

Petitions and Remonstrances: Allows registered voters and owners of real property to participate when a political subdivision conducts a petition and remonstrance process to approve a bond issue or a lease rental. Current law allows only the owners of real property to sign a petition or a remonstrance.

- Requires the petitions to be filed with the county voter registration office, rather than the county auditor.
- Specifies the dates by which an individual must be a registered voter in order to participate in the petition and remonstrance process.
- Specifies that whenever the name of an individual who signs a petition or remonstrance as a registered voter contains a minor variation from the name of the individual as set forth in the records of the county voter registration office, the signature is presumed to be valid and there is a presumption that the individual is entitled to sign the petition or remonstrance.
- Specifies that in determining whether an individual is a registered voter, the county voter registration office shall apply the requirements and procedures used under the election law, but provides that an individual is not required to comply with the provisions concerning providing proof of identification.
- Provides that if a petition is presented to a county voter registration office within 35 days of an election, the county voter registration office may defer acting on the petition until after the election.

Annual Adjustment Changes: Provides for annual adjustment of maximum property tax rates to account for the change in assessed value of real property that result from an annual adjustment of the assessed value of real property.

Levy Excess/Shortfall Appeals Provides that, in the case of a civil taxing unit that has a levy excess for a particular year, experienced a shortfall in property tax collections in the preceding year and did not receive permission to increase its property tax levy to make up the shortfall, the amount the civil taxing unit must transfer to its levy excess fund is reduced by the amount of the civil taxing unit's shortfall in the preceding calendar year.

Assessor Salary Increases Provides that salary increases for assessors, deputies and employees who obtain certification as a level two assessor-appraiser apply if the certification was obtained before assuming office or becoming employed by the assessor. Provides that the additional amount a township assessor or employee receives on becoming a certified Level Two Assessor-Appraiser is in addition to and not part of the person's annual compensation.

Level Three Assessor Creates a level three Indiana assessor-appraiser certification to be administered by the DLGF. Provides that a person who attains a level three certification is eligible for positions and for pay increases for which a level two is eligible.

Property Tax Delinquency Provides under certain circumstances that a five percent delinquency penalty applies to delinquent property taxes if the taxes are paid within 30 days after the due date and if the taxpayer is delinquent in the payment of property taxes due in a previous installment (rather than due in a previous year, under current law) and provides that the five percent penalty applies to both real and personal property.

SEA 416 DEADLINES FOR FILING PROPERTY TAX DEDUCTIONS FOR REAL PROPERTY

Author(s): R.YOUNG, KENLEY

Sponsor(s): DEMBOWSKI, OXLEY, SAUNDERS

Citations Affected: IC 6-1.1

SEA 416 changes the deadlines for filing property tax deductions for real property to June 11 and March 31 for mobile homes. It also allows a homeowner to file the credit any time during the year instead of after January 1 of the year that it is to be in effect.

SEA 500 VARIOUS ECONOMIC MATTERS

Author(s): KENLEY, DILLON

Sponsor(s): KUZMAN, ESPICH, CRAWFORD, TURNER

**Citations Affected: IC 4-10; IC 5-1; IC 5-20; IC 5-22; IC 5-28; IC 6-1.1;
IC 6-2.3; IC 6-2.4; IC 6-3; IC 6-3.5; IC 6-4.1; IC 6-5.5;
IC 6-6; IC 6-7; IC 6-8; IC 6-8.1; IC 6-9; IC 8-1; IC 24-5;
IC 32-34; IC 36-2; IC 36-7; Noncode**

SEA 500 has one provision that allows the state board of education to loan money to an eligible school corporation that has experienced a shortfall of at least five percent in the collection of property tax levies for the eligible school corporation's general fund because of certain actions.

Individual Income, Corporate Income, Sales and Other Taxes

HEA 1037 HOME ENERGY ASSISTANCE

Author(s): MICON, DAY, CRAWFORD, MURPHY

Sponsor(s): ALTING, LANANE, BECKER

Citations Affected: IC 6-2.5

HEA 1037 the act extends the sales tax exemption for the low income home energy assistance program until July 1, 2009. *For more information, please refer to the section on Utilities.*

HEA 1193 WASTEWATER UTILITY FROM SALES TAX

Author(s): CRAWFORD

Sponsor(s): MILLER, BREAUX

Citations Affected: IC 6-2.5

HEA 1193 clarifies certain language in current law that exempts expenditures used in the treatment process by a wastewater utility from sales tax. *For more information, please refer to the section on Utilities.*

HEA 1456 UTILITY RECEIPTS TAX

Author(s): KLINKER, KUZMAN, BUELL, TURNER

Sponsor(s): BECKER, HUME, ALTING, SIPES

Citations Affected: IC 6-2.3

HEA 1456 exempts the gross receipts derived from the sale of utility services from the utility receipts tax. *For more information, please refer to the section on Utilities.*

HEA 1461 TAX EXEMPTION AND CREDITS

Author(s): BOSMA, SOLIDAY, KUZMAN, T. HARRIS, AUSTIN

Sponsor(s): FORD, BRODEN, ZAKAS, HERSHMAN, ALTING

Citations Affected: IC 6-3; IC 6-3.3; IC 6-5.5; Noncode

HEA 1461 deals with the exemption for utility patent income and plant patent income. Certain types of income made from the use or sale of these patents is not taxable as income. The total amount of exemptions claimed by a taxpayer cannot exceed \$5 million per year. An exemption for a single patent cannot be claimed for more than 10 years. The exemption percentage begins at 50 percent of income derived from a qualified patent for each of the first five taxable years and decreases over the next five taxable years to 10 percent in the tenth taxable year. The taxpayer can only claim the exemption if the taxpayer is domiciled in Indiana and is either an individual or corporation with not more than 500 employees or a nonprofit organization or corporation. The Department of Revenue is required to do an annual report detailing the use of the exemption.

There is also a new credit created known as the Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit. This credit is awarded by the Indiana Economic Development Corporation (IEDC) to companies that make a qualified investment for the manufacture or assembly of alternative fuel vehicles in Indiana. The IEDC determines the percentage of the credit, but it cannot exceed 15 percent.

Finally, there are a few miscellaneous provisions dealing with the makeup of the Lake County Convention and Visitors Bureau including ensuring that the bureau is considered a political subdivision for purposes of tort claims.

SEA 500 VARIOUS ECONOMIC MATTERS

Author(s): KENLEY, DILLON

Sponsor(s): KUZMAN, ESPICH, CRAWFORD, TURNER

**Citations Affected: IC 4-10; IC 5-1; IC 5-20; IC 5-22; IC 5-28; IC 6-1.1;
IC 6-2.3; IC 6-2.4; IC 6-3; IC 6-3.5; IC 6-4.1; IC 6-5.5;
IC 6-6; IC 6-7; IC 6-8; IC 6-8.1; IC 6-9; IC 8-1; IC 24-5;
IC 32-34; IC 36-2; IC 36-7; Noncode**

SEA 500 included sales tax changes and financing sources for the affordable housing trust fund.

Affordable Housing Trust Fund: Counties are allowed to adopt an ordinance that would raise the recording fee for \$2.50 the first page and an additional \$1.00 for each other page. The money is split up with 60 percent staying with the affordable housing fund in the county where the fee was passed and 40 percent is sent to the Treasurer of State for deposit in the Affordable Housing and Community Development Fund. The money in the state fund is restricted from being used as rent supplements.

Sales Tax Changes: The act restricts a sales tax exemption available under current law for an electric utility that purchases distribution equipment or transmission equipment. The act restricts a sales tax exemption available under current law for a hotel or restaurant that purchases electricity, water, gas or steam. In addition, the act restricts a sales tax exemption available under current law for an aircraft lessor that purchases an aircraft for rental or leasing.

Sales Tax Collection Allowance: Creates a three tier sales tax collection allowance for retail merchants. The tiered system is as follows:

- If the merchant collects less than \$60,000 in gross revenue, then the allowance remains unchanged at .83 percent of the total tax collected each month.
- If the merchant collects more than \$60,000 and less and \$600,000 in gross revenue each year, then the allowance drops to .6 percent.
- If the merchant collects more than \$600,000, then the allowance rate is .3 percent.

This will mean an increase in the General Fund of about \$15 million.

Venture Capital Tax Credit: Extends the venture capital tax credit until December 31, 2012.

Energy Savings Tax Credit: This program ends after December 31, 2010.

Miscellaneous Income Tax Provisions: Requires tax professionals who file a certain number of returns to file electronically. The act decreases various periodic tax liability thresholds at which taxpayers are required to make tax payments by electronic funds transfer from \$10,000 to \$5,000. The act also provides that a tax payment made by electronic funds transfer is considered made on the date the taxpayer issues the payment order for the electronic funds transfer.

Inheritance Tax: Provides for the accrual of interest at the rate of six percent per year on inheritance tax refunds that are not processed within 90 days by the Department of Revenue.

Cigarette Stamp Discount: This discount to distributors is equal to one and two-tenths cents per individual package of cigarettes. This will cost the General Fund about \$2.5 million each year.

Cigarette Uncollectible Debt: The act allows a cigarette tax credit to a cigarette distributor for an uncollectible debt to the extent that the uncollectible debt is included in the cost of cigarette tax stamps purchased by the distributor and resulted from a transfer of cigarettes to a retailer. The act also allows a tobacco tax deduction to a tobacco products distributor from the Tobacco Products Tax for uncollectible debts resulting from wholesale sales of tobacco products.

Taxpayer Hearing Requests: When a taxpayer claiming a refund requests a hearing on the claim, the Department of Revenue must hold the requested hearing.

Out-of-State Merchants: Repeals a provision of the sales tax statute that requires certain out-of-state merchants making sales to customers in Indiana to register as retail merchants and remit sales and use tax.

Super Bowl Bid Tax Exemptions: Provides a tax exemption for the National Football League Super Bowl and related activities. This includes any and all taxes a qualified entity might pay.

County Wheel Taxes: The act states that for county Wheel Taxes adopted after June 30, 2007, an owner of a commercial motor vehicle paying an apportioned registration to the state under the International Registration Plan (IRP) shall pay an apportioned Wheel Tax calculated by dividing in-state actual miles by total fleet miles generated during the preceding year.

Miscellaneous Corporate Income Tax Provisions: This act requires a partnership to file a composite Adjusted Gross Income Tax (AGI) return on behalf of all nonresident individual partners. It is also a new requirement that an S corporation must file a composite AGI Tax return on behalf of all nonresident individual shareholders. It also requires corporations to add back dividends paid to shareholders of a captive real estate investment trust, and allows a corporation to use its annualized income to calculate the amount of its estimated adjusted gross income tax payments.

Enterprise Zones: A taxpayer in an enterprise zone is required to get approval from the local enterprise zone board for any deductions.

College 529 Plan Withdrawals: The act requires that an account owner of a College Choice 529 Education Savings plan must repay a portion of a tax credit if any nonqualified withdrawal is made from the plan. Nonqualified withdrawals include any withdrawals made from an account that are terminated within 12 months after the account is opened, rollovers to another qualified tuition program under Section 529 of the Internal Revenue Code that is not a College Choice 529 Education Savings plan account and other withdrawals that do not meet the requirements of a qualified withdrawal.

Various Aircraft Taxation Provisions: The act restricts a sales tax exemption available under current law for an aircraft lessor that purchases an aircraft for rental or leasing. The act allows a limited use tax exemption for an aircraft that is titled or registered in another state or country and is temporarily brought to Indiana to be repaired, refurbished, remanufactured or subjected to a

prepurchase evaluation. This expands the limited sales tax exemption under current law for a transaction involving an aircraft to include transactions in which an aircraft that is purchased by a nonresident remains in Indiana for up to 30 days after the aircraft is repaired, refurbished or remanufactured. The act expands the exemption from the aircraft registration requirements under the aircraft license excise tax statute for a nonresident who bases an aircraft with a dealer while the aircraft is being repaired, remodeled or refurbished to include aircraft that are based with a person that has been issued a repair station certificate by the Federal Aviation Administration.

Public Transportation Sales Tax Exemption: The act allows for a retail merchant to verify that the sale of property used in providing public transportation is exempt from sales tax by obtaining information from the purchaser. The act allows a retail merchant that sold property to a person that used the property in providing public transportation to verify that the sale was exempt from sales tax by using the information contained in form ST-135 for the transaction.

Rate of Interest on Excess Tax Payments: The rate of interest paid by the Department of Revenue on excess tax payments must be the same as the rate of interest paid by a taxpayer for failing to pay the full amount of tax by the due date for a tax return.

Lake County Innkeeper's Tax: This tax is redistributed so that the Convention and Tourism Bureau receives an extra \$30,000 each year, IU Northwest receives an extra \$2,665, Lake County cities and towns get an extra \$13,000, Purdue Calumet receives an extra \$3,000 and the Gary and Hammond convention facilities receive an extra \$1,335.

SEA 502 TAXATION

Author(s): KENLEY, DILLON

Sponsor(s): KUZMAN, ESPICH

Citations Affected: IC 6-2.5; Noncode

SEA 502 changes several tax-related definitions and repeals an obsolete provision concerning software that may be used concurrently in more than one jurisdiction. The act also requires the Governor and the Commissioner of the Department of Revenue to take the steps necessary to become an associate member of the Multistate Tax Commission.

Transportation

HEA 1018 SCHOOL BUS

Author(s): DUNCAN, V. SMITH, KLINKER

Sponsor(s): JACKMAN

Citations Affected: IC 9-20; IC 9-21

HEA 1018 increases the maximum length for a conventional school bus from 38 feet to 42 feet. It also increases the maximum speed limit for the operation of a school bus from 55 miles per hour to 60 miles per hour.

HEA 1051 MOTOR FUEL TAX EXEMPTION

Author(s): CROOKS

Sponsor(s): WYSS, HUME

Citations Affected: IC 6-6

HEA 1051 provides a motor fuel tax exemption for a pickup truck that:

1. has been modified to include a third free rotating axle;
2. is not greater than 26,000 pounds; and
3. is used solely for personal use and not for commercial use.

It also expands tax exemption from the aircraft registration requirements for non-residents who leave their planes with a dealer for repair, remodeling or refurbishing to include those owning repair shops certified by the Federal Aviation Administration.

HEA 1085 SEMITRAILER REGISTER

Author(s): KUZMAN, BORROR,

Sponsor(s): NUGENT, SKINNER, JACKMAN, HEINOLD

Citations Affected: IC 9-18; IC 9-29; Noncode

HEA 1085 specifies that the registration of a permanently registered semitrailer must be renewed on an annual basis. It requires the BMV to adopt rules to prescribe the way in which a person must annually renew the registration and specifies that the amount of a fee increase imposed by rule for the Crossroads 2000 Fund, which is used for constructing and maintaining state highways, must be collected after the elimination of the underlying fee. It also eliminates the \$2 annual fee to renew the permanent registration of a semitrailer

HEA 1237 MOTOR VEHICLE RESTRAINT SYSTEM

Author(s): WELCH, C. BROWN, DUNCAN, CROUCH

Sponsor(s): WYSS, ROGERS

Citations Affected: IC 6-6; IC 9-13; IC 9-19; Noncode

HEA 1237 requires all occupants of all motor vehicles to wear safety belts, with certain exceptions for circumstances such as parades, farm usage and ambulance passengers. The act also prohibits law enforcement agencies from using safety belt checkpoints to detect and issue a citation for failure to wear a safety belt, although citations can still be issued as a secondary offense if the vehicle is stopped for another reason.

It is estimated that the change in the law will prevent 23 deaths, 330 serious injuries and \$66 million in injury-related costs every year. In 2006, 110 occupants were killed in pickup trucks on Indiana roadways and 69 percent of those were not wearing seat belts. Indiana also becomes eligible for \$15.7 million in federal funding that has been withheld because current law did not cover all passenger vehicles.

HEA 1357 COMMERCIAL MOTOR VEHICLES

Author(s): TINCHER, DODGE, AUSTIN, RUPPEL

Sponsor(s): WYSS, SIMPSON

Citations Affected: IC 8-2.1; IC 9-21; IC 9-29; IC 10-11

HEA 1357 incorporates certain federal regulations pertaining to commercial motor vehicles into Indiana law. It corrects a reference to a federal agency concerning commercial motor vehicles and amends an exemption from federal regulations to intrastate operators of construction vehicles. It also repeals language concerning the use of a farm truck, trailer or semi-trailer and tractor for the transportation of seasonal fruit or vegetables and authorizes certain persons who are not state police officers to enforce violations of certain laws pertaining to trucks and trailers having a declared gross weight of at least 10,001 pounds. Current law sets the declared gross weight threshold at 11,000 pounds.

HEA 1373 INDOT - CHANGEABLE MESSAGE SIGNS

Author(s): STEVENSON, AUSTIN, WHETSTONE, KUZMAN

Sponsor(s): STEELE, ROGERS, LANDSKE, SIMPSON

Citations Affected: IC 8-23; IC 10-13; IC 34-30

HEA 1373 allows INDOT to adopt rules regarding the issuance of permits for changeable message signs. Under the act, a changeable message sign may be erected and operated unless prohibited by INDOT. The act also allows the operator of an electronic billboard to enter into a contract with the Indiana Missing Children Clearinghouse to display Amber Alerts.

HEA 1425 VARIOUS VEHICLE MATTERS

Author(s): AUSTIN, GRUBB, CHERRY, FRIEND

Sponsor(s): HEINOLD, SIMPSON, WYSS, DROZDA

Citations Affected: IC 9-13; IC 9-21; IC 9-22; IC 9-29

HEA 1425 provides that a farm truck, farm trailer or farm semitrailer and tractor may be operated intrastate for the transportation of certain seasonal crops to the first point of processing for certain periods in a registration year. It also revises the definition of "motor vehicle" to include semi-trailers for purposes of persons required to be licensed to engage in the business of buying or selling motor vehicles and their unfair practices.

The act also returns proceeds from the sale of an abandoned vehicle made by the person who removed, towed or stored the vehicle to the previous owner of the vehicle if the proceeds exceed all removal, towing and storage expenses. Current law returns proceeds in excess of storage expenses to previous owner without regard for removal and towing expenses.

In addition, it provides that a municipal corporation that operates a storage yard may dispose of an abandoned vehicle to an automobile scrapyard or salvage recycler and revises language concerning certain procedures to be used by a public agency or towing service concerning notice of an abandoned vehicle. It also permits third class cities and towns to dispose of abandoned vehicles. Current law permits only a consolidated city, a second class city or a county to dispose of abandoned vehicles.

The act moves the BMV from the process of disposing of abandoned vehicles. It repeals the BMV's Abandoned Motor Vehicle Fund and transfers the balance to the Motor Vehicle Highway Account, which funds programs for traffic safety and funds state highway maintenance, policing, improvement and construction.

The bill contains certain requirements for reports to be filed with the BMV, such as the inclusion of the make and a description of the vehicle that has been classified as abandoned.

HEA 1623 INDOT - WORK ZONES

Author(s): OXLEY, STILLWELL, AUSTIN, DUNCAN

Sponsor(s): DELPH, SIMPSON

Citations Affected: IC 9-21; IC 34-28; Noncode

HEA 1623 requires INDOT to design and manufacture signs to inform drivers of offenses and penalties related to operating a vehicle in or near highway work zones. It also establishes higher minimum penalties for exceeding posted highway work zone speed limits and establishes various offenses related to operating a vehicle in or near highway work zones. In addition, it requires that funds collected as judgments for violating the speed limit in a highway work zone be transferred to INDOT to pay the cost of hiring off duty police officers to patrol highway work zones.

HEA 1693 INTERNATIONAL REGISTRATION PLAN (IRP)

Author(s): COCHRAN, KUZMAN

Sponsor(s): KENLEY, WYSS

Citations Affected: IC 8-2.1; IC 9-18; IC 9-28; Noncode

HEA 1693 provides certain deadlines for the renewal of motor carrier registrations under the International Registration Plan (IRP), which is a program for licensing commercial vehicles in interstate operations among member jurisdictions. The member jurisdictions of IRP are all states except Alaska and Hawaii, the District of Columbia and all Canadian provinces except Yukon and the Northwest Territory. It provides penalties for a motor carrier that fails to timely register under the IRP and makes various changes to conform with the Unified Carrier Registration System. In addition, it requires that a license plate must be displayed on the front of a dump truck and repeals obsolete provisions concerning interstate express companies.

HEA 1742 INDIANA REGIONAL BUS AUTHORITY

Author(s): PELATH, DERMODY

Sponsor(s): HEINOLD, ARNOLD

Citations Affected: IC 36-9

HEA 1742 allows LaPorte County or a second class city in LaPorte County, such as Michigan City, to become a member of the Northwest Indiana Regional Bus Authority if the fiscal body of the county or city adopts a resolution authorizing the county or city to become a member of the authority and the board of the bus authority approves the membership of the county or city. In addition, it provides that if the county or a city becomes a member of the bus authority, the executive of the county or city shall appoint a member to the bus authority's board and a member to the Citizens Advisory Council.

SEA 105 MASS TRANSIT - TRANSPORTATION ISSUES

Author(s): LANANE, KENLEY, ERRINGTON

Sponsor(s): AUSTIN, MAYS, WHETSTONE, TYLER

Citations Affected: IC 2-5; IC 8-14; IC 8-15.7; IC 8-23; Noncode

SEA 105 includes several provisions regarding mass transit and other transportation issues.

Commuter rail

INDOT is required to conduct a feasibility study regarding the implementation of a commuter rail system with service from Muncie to Indianapolis and from Indianapolis to Bloomington. The study will cover the feasibility and implementation of stops at specific locations as well as other possible stops, potential routes for the system, number of potential riders, an estimated cost for such a system and other information. Additionally, it authorizes INDOT to apply for any federal grants available for conducting the study, which must be completed by August 30, 2008.

Joint study committee

It establishes the Joint Study Committee on Mass Transit and Transportation Alternatives, which consists of the members of the Senate Committee on Homeland Security, Transportation and Veterans Affairs and members of the House Committee on Roads and Transportation.

Regional studies

It provides that INDOT shall commission six studies on mass transit in Indiana by region by December 1, 2007 and that the studies must be completed by January 1, 2009.

Public-private agreements for railroads

It adds passenger and freight railroad systems to the definition of "project" for purposes of public-private agreements by INDOT. It provides that a "project," for purposes of public-private agreements by INDOT, does not include a passenger railroad system that is operated by the Northern Indiana Commuter Transportation District. It specifies that INDOT may enter into a public-private agreement for a project consisting of a passenger or freight railroad system, subject to review and appropriation by the General Assembly. It specifies that INDOT is not prohibited from conducting preliminary studies or issuing a request for qualifications or a request for proposals for such a project. It provides that passenger and freight railroad systems projects may not receive funds from the Major Moves Construction Fund. It establishes the Alternative

Transportation Construction Fund for funding passenger and freight railroad system projects under public-private agreements by INDOT. It requires INDOT to submit an annual report to the legislative council on efforts concerning the development, financing or operation of freight railroad systems through public-private agreements.

Illiana legislative review committee

Creates a legislative review committee for proposals concerning the Illiana Expressway and requires INDOT to perform an independent study concerning the Illiana Expressway, which must be completed before July 1, 2009 at a cost of less than \$1 million.

SEA 163 LOW SPEED VEHICLES

Author(s): BOOTS, LEWIS

Sponsor(s): NIEZGODSKI, DUNCAN

Citations Affected: IC 9-13

SEA 163 removes the maximum weight restrictions and seating capacity for low speed vehicles. Under current law, a low speed vehicle is defined as a 4 wheeled, electrically powered motor vehicle with a maximum design speed of not more than 35 mph with a maximum weight not to exceed 2200 lbs.

SEA 220 VARIOUS TRANSPORTATION MATTERS

Author(s): KRUSE, MISHLER

Sponsor(s): GIAQUINTA, STUTZMAN, LEONARD, DODGE

Citations Affected: IC 9-20; IC 9-29

SEA 220 provides that beginning July 1, 2007, sections of State Roads 3 and 9 and U.S. 20 are extra heavy duty highways. It specifies that the total gross weight, with load, of a vehicle or combination of vehicles operated with a special weight permit on these highways may not exceed 90,000 pounds. In addition, it provides that INDOT or local authorities may issue an annual permit for a heavy vehicle transporting an ocean-going container under certain circumstances and provides for an annual fee for a permit.

SEA 247 VARIOUS MOTOR VEHICLE MATTERS

Author(s): MRVAN, DROZDA, MERRITT

Sponsor(s): L. LAWSON

Citations Affected: IC 9-13; IC 9-18; IC 9-24; IC 9-29; IC 9-30

SEA 247 provides that a public passenger chauffeur's license is valid for four years and that the fee for the license is \$8. Current law provides that such licenses are valid for two years and that the fee for each license is \$4.

The bill also authorizes the Division of Court Administration to prescribe traffic information, summons or complaint in an electronic format, to be known as an electronic traffic ticket. It authorizes a law enforcement officer to issue an electronic traffic ticket in lieu of a paper ticket and authorizes the transmission of an electronic traffic ticket to a court under certain conditions. It also allows an electronic traffic ticket to be admissible in a court proceeding under certain circumstances. This provision is also included in SEA 463.

SEA 315 STUDY OF INTELLIGENT TRANSPORTATION SYSTEMS**Author(s): FORD, KRUSE, MRVAN****Sponsor(s): AUSTIN, RESKE, DUNCAN****Citations Affected: Noncode**

SEA 315 requires INDOT to study the feasibility of integrating intelligent transportation systems into Indiana's highway systems. INDOT will report the results of its study to the public and to the General Assembly in an intermediate report due before January 1, 2008 and in a final report due before January 1, 2009.

SEA 463 BUREAU OF MOTOR VEHICLE MATTERS**Author(s): HEINOLD, WYSS, PAUL****Sponsor(s): TINCHER, RUPPEL****Citations Affected: IC 4-5; IC 6-6; IC 9-13; IC 9-14; IC 9-18; IC 9-23; IC 9-24;
IC 9-29; IC 9-30; Noncode**

SEA 463 provides that the BMV may no longer collect a transaction fee on credit card transactions. It changes the pro rata reductions in registration fees and excise taxes for automobiles registered after the owners' regular registration dates from a 10 month schedule to a 12 month schedule. The act also:

- Makes certain changes concerning the contents of and application procedure for a driver's license, learner's permit or identification card to comply with federal law. It provides for varying expiration dates for a driver's license, learner's permit and identification card based on the holder's lawful status in the United States.
- Requires that an application for a driver's license, permit or card by a person who does not have a Social Security number must include a verification of the applicant's ineligibility for a Social Security number and identify lawful status in the United States.
- Authorizes the BMV to adopt rules regarding temporary invalidation of a card if the bureau believes that the card was issued based on fraudulent documentation.
- Authorizes a law enforcement officer to issue an electronic traffic ticket in lieu of a paper ticket and the transmission of an electronic traffic ticket to a court under certain conditions. It allows an electronic traffic ticket to be admissible in a court proceeding under certain circumstances. This provision is also included in SEA 247.
- Adds advance practice nurses to the list of professionals who may certify an individual as being severely restricted in mobility for purposes of issuance of a parking placard for a person with physical disabilities.
- Provides that an individual participating in the Address Confidentiality Program may provide to the BMV an address designated by the Attorney General as the principal residence address.
- Authorizes the BMV to adopt a written exceptions process to create exceptions for the issuance of driver's licenses, permits and identification cards when certain documentary evidence is lacking and provides that an individual may not hold a driver's license and an identification card at the same time.
- Replaces the Commissioner of the BMV as the chairman of the Motor Vehicle Sales Advisory Board and transfers administrative control of the board to the Secretary of State. In addition, it requires certain civil penalties collected for violations related to the

BMV as per IC 9-23-6-4 to be deposited into the Securities Division Enforcement Account.

Utilities and Telecommunications

SEA 312 CONSERVANCY DISTRICTS

Author(s): HERSHMAN, MISHLER

Sponsor(s): KLINKER, T. BROWN

Citations Affected: IC 8-1; IC 14-33

SEA 312 provides that the statute allowing local water corporations to withdraw from the jurisdiction of the IURC for certain purposes applies to a conservancy district that has, as a purpose of the district, the provision of water service and provides water service to less than 2,000 customers. Currently the statute applies only to a water or sewer utility that is privately owned and serves less than 300 customers, is a not-for-profit utility or is a cooperative corporation exempt from state and federal income taxes. The bill also sets the maximum per diem compensation for Conservancy District board members at \$100 for up to two meetings per month and \$50 for up to five additional work days per month.

SEA 529 GOVERNING CONSTRUCTION OF INTERSTATE PIPELINES

Author(s): JACKMAN, C. LAWSON, BRAY, ROGERS, NUGENT

Sponsor(s): BISCHOFF, DUNCAN, EVERHART

Citations Affected: IC 8-1; IC 32-24; Noncode

SEA 529 requires the Pipeline Safety Division of the IURC to adopt guidelines governing the construction of interstate pipelines in Indiana no later than September 1, 2007. It also requires notice of the guidelines to be sent to affected landowners. It requires the director of the division to designate one or more employees as project coordinators for each pipeline project. The division is also required to make certain information available on the IURC's web site, such as the name of the pipeline company and a phone number through which the company can be reached.

In addition, the bill provides that a public utility or a pipeline company that seeks to acquire land by eminent domain may not enter on the land for survey purposes unless the public utility or pipeline company sends notice by certified mail to the landowner of their intention to enter the land for survey purposes or receives the landowner's signed consent to enter the land to perform the proposed survey.

HEA 1037 HOME ENERGY ASSISTANCE SALES TAX EXEMPTION

Author(s): MICON, DAY, CRAWFORD, MURPHY

Sponsor(s): ALTING, LANANE, BECKER

Citations Affected: IC 6-2-5

HEA 1037 extends the sales tax exemption for the Low Income Home Energy Assistance Program until July 1, 2009. The act will help more low income families receive assistance in affording heating and cooling bills by exempting those transactions from the state sales tax through June 30, 2009. Funding for the state's energy assistance program comes from federal sources and not from the state's general fund. This act will allow more of the federal government funds to directly assist low income households afford the necessary cost of heating and cooling their homes.

HEA 1193 SALES TAX EXEMPTION FOR WASTEWATER UTILITY**Author(s): CRAWFORD****Sponsor(s): MILLER, BREAUX****Citations Affected: IC 6-2-5**

HEA 1193 defines “public utility,” “collection plant and expenses,” “system pumping plant and expenses” and “treatment and disposal plant and expenses” in the statute that exempts certain expenditures by a wastewater utility from sales tax.

HEA 1456 UTILITY RECEIPTS TAX**Author(s): KLINKER, KUZMAN, BUELL, TURNER****Sponsor(s): BECKER, HUME, ALTING, SIPES****Citations Affected: IC 6-2.3; Noncode**

HEA 1456 exempts gross receipts derived from the sale of utility services between members of a controlled group of corporations or an affiliated group from the utility receipts tax if the seller is the producer of the utility service and the purchaser is the end user and the seller and the purchaser exist at the same location or adjacent locations.

HEA 1722 COAL GASIFICATION TAX CREDITS AND COST RECOVERY**Author(s): STILWELL, BATTLES, WHETSTONE, CROOKS, STEVENSON****Sponsor(s): HERSHMAN, ROGERS, TALLIAN, HUME, HEINOLD****Citations Affected: IC 6-3.1; IC 8-1; Noncode**

HEA 1722 requires IURC to allow a utility that purchases substitute natural gas (SNG) to recover any costs arising under the purchase contract through rate adjustments. It provides that certain municipalities have jurisdiction over certain territorial disputes between water utilities and amends the definition of clean coal and energy projects to include a project using coal to produce SNG. In addition, it defines an SNG property interest as a right, title and interest that is held by an energy utility, is created by a qualified order of the IURC and entitles the energy utility to recover certain costs incurred in purchasing substitute natural gas under a qualified contract. Finally, it sets forth provisions governing the assignment of an SNG property interest; the rights of assignees, financing entities and SNG sellers; the perfection of a lien and security interest in a SNG property interest and the obligations of an energy utility after the assignment of a SNG property interest.

Veteran Issues, Military Affairs and Public Safety

SEA 29 TRF SERVICE CREDIT FOR MILITARY SERVICE

Author(s): WALTZ, PAUL, MERRITT

Sponsor(s): ROBERTSON, BUELL, PORTER, HARRIS T.

Citations Affected: IC 5-10.4; Noncode

SEA 29 extends the time by which a member of the Teachers' Retirement Fund (TRF) is required to return to active teaching, an approved four year teacher training program or baccalaureate or post-baccalaureate education in order to receive TRF service credit for the member's active military service from 18 months to 24 months after the completion of active military service. It also extends the 24 month deadline to a maximum of 48 months after the member's discharge if the TRF board determines that an illness, injury or disability related to the member's military service prevents the member from returning to active teaching service or to a teacher education program by the 24 month deadline. Finally, it establishes an interim study committee on teachers' retirement fund benefits.

SEA 166 EMPLOYMENT PROTECTION FOR CIVIL AIR PATROL MEMBERS

Author(s): FORD, HEINOLD

Sponsor(s): RESKE, TINCHER, MURPHY

Citations Affected: IC 4-15; IC 10-16

SEA 166 provides that a member of the Indiana wing of the Civil Air Patrol (CAP) may not be disciplined by an employer for leaving or being absent from work for certain emergency service operations if the member has notified the employer that the employee is a CAP member and in the case of a nongovernmental employee, is not designated by the employer as an essential employee.

SEA 171 VARIOUS INSURANCE MATTERS

Author(s): DELPH, SIMPSON

Sponsor(s): GIAQUINTA, RIPLEY

**Citations Affected: IC 16-39; IC 20-12; IC 27-1; IC 27-4; IC 27-4; IC 27-8;
IC 27-13; IC 36-8; Noncode**

SEA 171 provides that engaging in certain dishonest or predatory insurance practices in marketing or sales of insurance to members of the U.S. armed forces constitutes an unfair and deceptive act and practice in the business of insurance. *For more on this act, see the Consumer Protection section.*

SEA 185 JOB TRAINING PRIORITY FOR NATIONAL GUARD MEMBERS

Author(s): ERRINGTON, WYSS, LEWIS

Sponsor(s): TYLER, HINKLE, RUPPEL, KERSEY

Citations Affected: IC 22-4-1

SEA 185 provides that a National Guard member who has served on active duty is entitled to priority placement in an employment or training program administered by the Department of Workforce Development (DWD) for up to one year after discharge if the member is otherwise

eligible for the program. The spouses of National Guard members on active duty are also entitled to priority for placement in a DWD employment or training program if the spouse is otherwise eligible for the program. The introduced version of this bill was prepared by the Commission on Military and Veterans Affairs.

SEA 342 SCHOOL ABSENCE FOR CIVIL AIR PATROL ACTIVITIES

Author(s): FORD, LANDSKE

Sponsor(s): RESKE, RUPPEL

Citations Affected: IC 20-33

SEA 342 requires a school governing body or administrative officer to excuse a secondary school student who is a member of the Indiana wing of CAP for not more than five absences per school year for certain emergency service operations or for the duration of an International Air Cadet Exchange Program.

SEA 480 VETERANS' BENEFITS

Author(s): WYSS, ROGERS, DELPH

Sponsor(s): RESKE, MCCLAIN, GIAQUINTA, NOE

**Citations Affected: IC 5-10.4; IC 6-3; IC 10-17; IC 20-20; IC 20-28; IC 21-12
IC 21-13; IC 21-14; IC 25-1; Noncode**

SEA 480 contains a number of miscellaneous provisions primarily affecting reserve and National Guard troops and their families.

- It exempts active duty military pay earned by members of the National Guard and reserve components of the United States Armed Forces from the individual income tax and increases the military pay income tax deduction from \$2,000 to \$5,000. It provides that a taxpayer may not claim both the new exemption and the existing deduction for military income.
- It establishes employment criteria for employees of the Indiana Department of Veterans' Affairs and local service officers.
- It provides for reimbursement of certain expenses of Medal of Honor recipients, such as participating in and attending official ceremonies.
- It provides that a power of attorney for prosecution of veterans' benefits runs to an agency or individual authorized by the department.
- It establishes the Veterans' Affairs Trust Fund and the Military and Veterans' Benefits Board and provides that the board, rather than the Veterans' Affairs Commission, administers the Veterans' Affairs Trust Fund and the Military Family Relief Fund.
- Expands the High School Diploma Program for eligible veterans to include veterans of the Korean and Vietnam conflicts. Previously only World War I and II veterans were eligible.
- Establishes the National Guard Scholarship Extension Fund to provide scholarships to certain former National Guard members.
- The bill requires the State Student Assistance Commission to transfer the National Guard Scholarship Program reserves to the National Guard Scholarship Extension fund on June 30, 2007.
- It specifies that active duty military personnel stationed in Indiana and their dependents are eligible for resident tuition rates at state educational institutions.

- It authorizes the advisory board of the Division of Professional Standards of the Department of Education and various professional licensing boards to adopt rules to expedite the licensure of individuals whose spouses are stationed on active duty in Indiana.

HEA 1092 MILITARY SERVICE BENEFITS

Author(s): AVERY, HINKLE, STILWELL, RESKE

Sponsor(s): DELPH, SIMPSON, WYSS

Citations Affected: IC 10-16; IC 10-17; IC 222-2; IC 22-9

HEA 1092 also contains a number of provisions for individuals on active military duty and their families.

For active military personnel:

- It provides that a person who furnishes lodging for compensation commits a class C infraction if the person refuses to rent a room to an individual who is under 21 years of age and on active military duty.
- Individuals on active military duty are exempted from serving on a jury.

For family members:

- It establishes an unpaid leave of absence of up to 10 working days for the spouse, parent, grandparent or sibling of a person ordered to active duty in the United States Armed Forces or the National Guard. It requires an employee to attempt to provide written notice and a copy of the active duty orders, if available, 30 days before taking the leave. The family member must have been employed by the company for at least one year. It provides that an employee taking leave is permitted or may be required, to use certain paid leave to which the employee is entitled. It requires an employee to be restored to the position that the employee held before the leave or to an equivalent position. It requires an employer to permit an employee who is taking a leave to continue the employee's health care benefits at the employee's expense. It provides equitable remedies for violations.
- It provides for grants from the Military Family Relief Fund. Currently, assistance is only provided to a reserve component of the armed forces and National Guard members. Grants from the fund, typically used for emergency needs such as food or utilities, could also be used for child care, a critical concern when a parent is deployed. Indiana residents would also be able to donate money to the fund through a check-off on their state income tax return. Beginning with tax year 2008 taxpayers would be able to designate on a state income tax return form all or part of a refund to go toward the fund.